Daily Report

Latin America

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Cuba

Cuba: Discussion Views CTC Congress, May Day

PA2704143596 Havana Cubavision Network in Spanish 0200 GMT 24 Apr 96

["Open Agenda" program with Cuban Workers Federation (CTC) President Pedro Ross Leal, Vilma Espin, president of the National Secretariat of the National Committee of the Cuban Women's Federation; (Lena Margarita), CTC secretary in Havana City Province; (Oliva), CTC secretary in Pinar del Rio Province; and program host Antonio Resillez]

[FBIS Translated Excerpt] [Passage omitted] [Resillez] You, Pedro, were talking about the Helms-Burton law a few minutes ago. How will the problems caused by this law be discussed at the Cuban Workers Federation Congress? I want to add something before you answer.

We attended a briefing recently with comrade Ricardo Alarcon. A group of reporters at the briefing was discussing this specific topic, and it became obvious that the extraterritorial nature of that law has been widely reported. I dare say that the law is almost universally rejected because of the way it affects the sovereignty of other countries, but the law also contains other elements that undermine our sovereignty; in other words, it transcends the extraterritorial nature of the law. It is an affront to our own sovereignty. This is a matter we will probably have to explain further and provide the people with additional details. I have the feeling that this matter will be discussed at the Congress. How will it fare?

[Ross] The congress cannot miss out, logically, on this opportunity to discuss an issue that hurts the Cuban people. That law was not conceived against any other country. It was aimed at Cuba but attacks and hurts other countries by doing so; in other words, the extraterritorial nature of the law is enforced by banning other countries from having economic, trade, and political relations with our country.

I can tell you that the universal rejection by the governments you just mentioned began with the rejection of the peoples. Unions of all types have overwhelmingly rejected the law. Before coming here, I met with a high-level, Norwegian delegation, including the president of Norwegian [word indistinct] in our country. The delegation of Norwegian workers voiced its rejection of that act of aggression against our country and did so even before rejecting the ways the law attacks their own country. They believe the law is most unfair and brutal. Unions the world over have voiced the same rejection, a point which our delegates will stress during our congress.

We will have to address key issues that deal with the existence and future of our nation as a nation. It involves our fatherland, liberty, and independence. The Helms-Burton law attacks the values that were forged through the effort and sacrifice of generations upon generations of Cubans. We are not going to give up. We will not allow our rights to be infringed upon. We will fight for them with all the means of defense available to us, including our bare teeth and nails, but we will also use our minds, talent, and patience. Fight we will, and we will defend our sovereignty and liberty.

[Resillez] The march on 1 May has been planned as a demonstration....

[Ross, interrupting] Absolutely!

[Resillez] ...of unbending resolve against that which appears to be...

[Ross, interrupting] An overwhelming rejection....

[Resillez, interrupting] Of course.

[Ross] Of the slavery law. The goal is to make slaves out of us. They want to make us modern day slaves in an even more retrograde manner than during our country's times of slavery in former centuries.

[Resillez] Let us devote some time to the parades. Tell us about the parades. Vilma was saying the companeras have been missing the parades lately.

[Espin] Of course.

[Ross] At the Plaza de la Revolucion, right?

[Espin] We miss the parades at the plaza, and the people have been asking for them.

[Ross] I must say that this year we will have two great surprises. The people know it, because they have been informed. We will hold the 1 May parade in the plaza followed by a military parade. It has been announced; therefore, our plaza will become vibrant again.

[Resillez] But will the 1 May parade have anything special or will it be similar to former parades? When will it begin, what kind of transportation will be provided to the Plaza de la Revolucion, and what events are scheduled for the other provinces?

[Ross] I will tell you about the events scheduled for the other provinces. We have Helena [not further identified] here who can inform us about the Havana events.

She is a member of the organizing committee in Havana. In the rest of the country, we have companero Oliva [not further identified], secretary of Pinar del Rio Province, as lead monitor. The rest of the country, towns, municipalities, and provincial capitals will hold

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the combatant people's march, that is, the rally, as it use to be called, in various places.

The 1 May commemoration at the sugar mills, which are in the midst of the harvest, will be marked during the production of sugar, in the sugarcane fields, and before or after the work shift; that is to be decided by each territory.

There is no single plan, but patriotism as well as our people's resolve to stand by their revolution, socialism, and Fidel Castro will be everywhere. [passage omitted]

[Resillez] Lena, are you ready to give us some details about the main parade that will take place here in Havana? Comrade Lena is CTC secretary in Havana and, therefore, can give us some highlights about the parade.

[(Margarita)] I must say that the activities to celebrate 1 May have a special meaning for all Cubans. Because we in the capital are aware of that meaning and will represent the entire country on 1 May, we have been preparing to demonstrate in the combative people's march our repudiation of the Helms-Burton law. We believe the parade should reflect—and we are planning it that way—the Cuban people's determination to defend their sovereignty; therefore, you may have heard that the presence of Cuban flags will be the keynote. In other words, each Cuban, patriot, Havana resident who loves his country will march with a Cuban flag. Our flag will symbolize the Cuban people's determination to defend their sovereignty and maintain their unity.

The order in which the delegations will march is similar to the ones followed in previous years, but this year the parade will begin with the delegates to the CTC congress, the 1,900 delegates. They will be followed by the 16 contingents of construction workers and more than 20 national vanguard centers. The next group will be the municipality of Plaza de la Revolucion, which will be represented by the unions of culture and public administration workers. It will be a combative people's march by all residents of Plaza de la Revolucion; that is, Desfile Plaza, Playa, Cerro, up to Centro Havana, which will close this large group. Right after Centro Havana will be the groups Vicky mentioned, including the delegations representing the youth, the bicycles, students of the Minint [Ministry of the Interior] School. Those are the plans for the parade in brief.

As I said before, I would like to stress that the most important aspect of the 1 May celebrations this year will the repudiation of the Helms-Burton law, which, by the way, will be the first public demonstration after its approval. It will be the first demonstration of the Cuban people's repudiation of that law, which our people will unanimously reject during the combative people's march.

[Resillez] At what time will the parade begin?

[(Margarita)] At 0900.

[Resillez] At 0900 sharp. Do you know how long it will last more or less?

[(Margarita)] I would say it is very difficult to know how long it will last, because we are summoning all the patriots in the city of Havana, and we have many patriots. It could be a little longer than in previous years. In addition, the 1 May march has been preceded by other parades and demonstrations in the various municipalities—there will still be a few more, because they will end on 25 April—that have been an example of what will happen at the plaza. Today we saw the parades of Boyeros, Centro Havana, Playa, which can really give us a good idea of what will happen on 1 May at the Plaza de la Revolucion.

[Resillez] Vilma, you have before you the only female provincial secretary.

[Espin] We were very happy when we learned that. We had met her before and are very pleased.

[Resillez] Lena, how will women in the capital participate?

[(Margarita)] The city women? Please! You will see. All the women will be at the plaza. They will be marching with their communities. The federation is working hard to organize the event, but it is also our responsibility to participate along with our families. We will go with our children, husbands; therefore, the presence of Cuban women will be as it has always been on 1 May or even greater.

[Espin] The entire family to the plaza.

[(Margarita)] The entire family to the plaza.

[Resillez] Thank you very much for this information. I have on line a comrade of yours in Pinar del Rio, Comrade Oliva. Can you hear me, Oliva?

[Oliva] I can hear you perfectly.

[Resillez] How many delegates will be coming from Pinar del Rio, Oliva?

[Oliva] Our province will be represented at the congress by 127 comrades, 119 delegates and eight guests.

[Resillez] Are they young, many young people?

[Oliva] Most of our delegates are young.

[Resillez] How are women represented?

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[Oliva] More than 50 percent, and approximately 42 percent of our delegates are women.

[Resillez] When are you planning to travel to Havana, Oliva?

[Oliva] We will be leaving for Havana the morning of 26 April. We will say goodbye to the people of our province at the Maceu Monument and then will head to Havana.

[Resillez] When will you have your parade?

[Oliva] We are organizing a parade for 1 May. Beginning on 27 April, coinciding with the CTC congress, there will be ceremonies in all the communities from 27 to 30 April and on 1 May in all municipalities. We are summoning the people of Pinar del Rio to participate in the combative people's march in our province. We are expecting more than 100,000 Pinar del Rio residents to participate.

As Comrade Lena of Havana City said, we are summoning all our patriots and revolutionaries in the province of Pinar del Rio as well as all the families. Through the serious work of the CDR [Committees for the Defense of the Revolution], the federation, the Union of Young Communists, the combatants, and the unions, we believe we can have a 1 May celebration consonant with the current moment the revolution is experiencing. In that regard, our people will express their support for the laws and decisions our revolution, the Cuban Government may adopt. At the same time, they will express their rejection of the law the U.S. Government has approved, the Helms-Burton law.

I believe that everything is ready and that the province of Pinar del Rio, as the other provinces, will give a revolutionary reply of support to the revolution, the party, and our commander in chief.

[Resillez] The country now has an exact idea of how the province of Pinar del Rio will celebrate on 1 May. We also know more about the delegates who will be coming to Havana.

Will the CTC congress elect a new leadership?

[Ross] Exactly. As at every congress, a new leadership will be elected.

[Resillez] Is there a list of candidates already?

[Ross] The Candidate Nomination Commission is working on this list to submit the names of the candidates to the congress.

[Resillez] How will the candidates be elected?

[Ross] Through direct and secret votes.

[Resillez] Will every delegate vote?

[Ross] Yes. Every delegate will vote. Candidates will be nominated out of 70,000 proposals that were made by the labor centers of the entire country, meaning the Candidate Nomination Commission, which consists of union leaders from the ranks and files of municipalities and provinces as well as national trade unions. They have been working every minute to prepare the list of candidates.

[Resillez] Are there any plans to inform the entire country about this congress? Are there any plans as to how this information will be released daily while this congress is in session?

[Ross] Of course. All national and provincial news media will participate. In addition, the international news media will participate at certain moments during this congress; this guarantees that information will be released to the entire nation, practically or nearly by live broadcast, on all the congress sessions. There will be a very important aspect....

[Resillez, interrupting] Yes?

[Ross] There will be a very important aspect I would not like to leave out. During the past three weekends in April, a massive mobilization of workers has been taking place to help in the production and planting of food crops as well as in the sugarcane harvest. Over 1 million workers of our own people were mobilized. During the last days of this week—that is, this Friday, Saturday, and Sunday—while the congress is in session, a large mobilization will take place to help the sugarcane harvest, which is about to finish in many places. We need to collect even the last piece of sugarcane. All the territories are involved in this task, which is lagging behind. I take this opportunity to make a call to all workers and all the administrative organizations that are involved. In addition, we are occupied with the rice harvest and in preparing the land for the [word indistinct] cold season; therefore, a large amount of work should still be done.

[Resillez] Of course. Moreover, our entire country knows that the sugar industry minister has strongly stressed the relationship between the results of this sugarcane harvest and the CTC congress and 1 May, meaning that there are great expectations regarding the outcome of the sugarcane harvest at that moment.

[Ross] Exactly. This will be determined right there at the congress.

[Resillez] Vilma, would you like to say anything else?

[Espin] [Words indistinct] the congress but above all the large march we have mentioned, and we are.... [pauses] Look at the results Comrade Lage has discussed at the

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Central Committee meeting. All the people are very confident that we will remain victorious, that we will continue having economic growth, and that this country will not be defeated....

[Resillez, interrupting] Thanks [word indistinct].

[Espin] I convey this same message on behalf of all the members of the Cuban Women's Federation. Along with Pedro and all our workers, we will participate in this important celebration of the Cuban people.

[Resillez] Pedro, would you like to say anything else [words indistinct]?

[Ross] I will see you then in every plaza in this country and at the Revolution Square here in the capital city on 1 May. As our hero, Commander Ernesto Che Guevara, once said: To victory always!

Cuba: Pedro Ross Leal Addresses CTC Congress

PA2904184496 Havana Radio Rebelde Network in Spanish 1425 GMT 28 Apr 96

[Speech by Pedro Ross Leal, secretary general of the Cuban Workers Federation, CTC, during the first plenary session of the 17th CTC Congress at the Conventions Palace in Havana — live relay]

[FBIS Translated Text] Dear comrades. We were able to reach this important moment of the 17th Congress thanks to an extraordinary and prolonged feat. The resistance of our workers and our heroic people and the wise strategy drafted by Fidel and the party have made this congress possible today.

Let us then dedicate our first words and our congress to the millions of Cubans, who despite all the difficulties have risen each day for the past few years to work for Cuba and its future. They have guided the fatherland through the greatest peril in its history. Let us dedicate our first words to all who have made possible the apparent miracle, in which a small country involved in a tenacious fight against underdevelopment and which has been a victim of U.S. hostility and harassment has been able to resist the destructive impact of the collapse of its main socialist allies and the intensified imperialist blockade and has been able to stop the drop in production and is now on its way to a long, difficult, but viable road to economic recovery.

The close, powerful, and [word indistinct] brutal enemy of the north has betted and is betting that Cuba will not resist its propped-up blockade with which it trying to suffocate us and its enormous campaign of confusion and ideological subversion. We have confidence and will always be confident in Cubans' patriotism and ability, their revolutionary conscience, their solidarity in favor of the work and cause that have made us worthy of the respect and solidarity of the peoples of the world; that is why the focal point of our meeting is much more than the specific work of the CTC and the labor unions.

This is, above all, a political congress. A congress that is held while the approval of a new, annexationist law dictated by extremist Yankee right-wingers and the Miami counterrevolutionary mafia confirms to us that our only alternative is to be free or to be slaves, to be a nation proud of its sovereignty or a colony partitioned by U.S. capitalists by birth or by choice, to be a country of workers in strength building socialism or to return to times worse than those of Batista's tyranny.

No one should make a mistake. The most important agenda that gathers us here and that was reaffirmed with passion by our rank and file is how to defend this power with our nails and teeth, if necessary, as well as with our hard, increasingly efficient work, with composure and intelligence, and how we are going to preserve our ideas, our system, bearing in mind that the dangers and the challenges, far from being left behind are more intense today and could even become more intense in the future. This goal, and no other, is what has motivated all our actions over the past few years. It is the goal that motivated us when we convened the labor parliaments and when we held the first assemblies for efficiency one after the other. It is that objective in particular that has guided us since 1 May 1995, when we made our announcement and initiated preliminary work for this congress, a whole year of hard work.

This is a congress that has been in the hearts of every working group as they freely discussed proposals. This is a congress that has counted on the participation of the 169 municipalities and 14 provincial conferences and that has conveyed the experiences of all our cadres and the thousands of specialists and technicians organized in work groups, commissions, and work shops. The entire process has collected the experiences of hundreds of thousands of contributions, which have enriched our work all the way from the labor union bureaus and have helped us reach this final congress with a much stronger labor union movement.

It is not only a labor union method but a policy of the revolution from which we can never separate ourselves. There has been constant communication and dialogue as well as discussion with workers on every important step the country must take. We have always acted with the consensus of the masses.

An inseparable part of this policy has been the permanent attention of the party and government leadership to all the opinions and concerns that have emerged in the discussion of proposals. Workers have reiterated that the

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proposals collectively drafted by our labor union leadership, as a basis for this 17th Congress, clearly and coherently bear in mind the situation currently faced by Cuba and the role of the labor union movement in view of the new adjustments and modifications we have been adopting in the economic field in order to preserve the power of the workers, national independence, and socialism.

In the last few months, the CTC secretary general has had the opportunity to meet frequently with comrade Carlos Lage, and later with Fidel, to talk about the country's situation, the main labor problems, and a long series of matters dealing with the debate held by the workers. Topics such as the defense of state enterprises, the possibility of extending self-financing systems in convertible currency, the outlook for the restructuring process, jobs, the classification and reclassification of workers, and the need to use in a much more ample manner the bonus portion of salaries to promote efficient results were in the agenda discussed by the CTC with the country's top leaders.

Talks also dealt with the situation of unproductive enterprises, the protection of low-income families, the need to pay taxes, and the increasing problem of prices in markets subject to supply and demand forces. Other important matters such as the consolidation of Basic Cooperative Production Units, labor relations, readaptation to new realities, self-employed workers and the treatment we owe them, the condition of mini-brigades, and the guarantees for basic working conditions, were the subjects analyzed in the aforementioned meetings.

We must express our satisfaction over the prompt review of the matters we have proposed, which has allowed for aspects of this [word indistinct] have been resolved or are being resolved.

We are also pleased with the explanations, the information, and the considerations with regard to different problems and the constant stimulus we have received from many of our comrades, among whom we would like to mention Fidel and Raul; Carlos Lage, secretary of the Executive Committee of the Council of Ministers; Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP]; and so many others that would make our list endless. [applause]

The labor leaders elected in the 16th Congress believe they have fulfilled, modestly and loyally, their duty in these difficult years of the special period by defending, with their own voices, the legitimate interests of the workers in the most pressing areas and by defending our most precious asset: The strategic interests of the revolution of the lower classes, by the lower classes, and for the lower classes. As we approach this moment, we also experience great satisfaction when we assess what this congress represents in light of the specific tasks we face today in the struggle to clarify our ideas and find the convincing answer we must, now more than ever, give the empire and the antirevolutionary groups.

The labor unions, as we discussed during the debates, cannot tire of explaining over and over again that the country is saved by working and by putting into practice all of its productive capabilities; this is not possible if the fundamental conditions are not created for the reorganization of domestic finances. What we have done in barely two years, as far as financial balance is concerned as well as the reduction of the budget deficit is encouraging evidence that we are on the right path. Even though it may seem obvious, after five years of the special period, we need to instill deeply in our minds the idea that the previous economic situation will no longer return.

Now, we must face an inequitable exchange, an increase in the prices of the many products we must import, including energy products and food, and the depreciation of many of our exports. All of this takes place amid a true economic war being waged against our country, a war that makes our trade and financial operations costlier if not hindering them altogether.

There are still those who believe in the preposterous notion that the state should obtain resources from where there are none, take on expenditures, inefficiencies, and other problems, the solution of which we must discuss starting with our ability to produce more at lower costs, in addition to being profitable. This is ideology. This is politics. We must fully understand that the no. 1 current limitation of the Cuban economy is the lack of convertible foreign currency, the deficit of investment capital, and the need to restore the productive cycle in such sectors as industry and agriculture. Thus, we are forced to legalize foreign currencies to our level and to open chains of stores in order to collect foreign currency as well as to approve the opening to foreign investment, the accreditation of foreign companies, and the development of the tourism program with its many advantages and subsequent problems. As a repercussion of all of this we have the futility of social differences and some attitudes, lifestyles, and frames of mind, which we cannot allow to continue in our struggle to preserve the moral values of the revolution and socialism. In other words, if circumstances force us to be realistic, that only means that we must reaffirm our humanistic and revolutionary virtues in light of these new challenges. [applause]

The leading virtue we all seek is a general awareness of efficient, disciplined, and reliable work. Together, side

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by side with the commendable and vanguard attitudes demonstrated by hundreds of thousands of workers, it is still possible to find inconsistencies and shoddiness, individuals who fail to devote themselves to their work and who perform their duties halfheartedly. We must consolidate a work ethic that matches the glorious, combative traditions of the Cuban people. We must ensure that the heroic spirit that moves men to defend their motherland with weapons, becomes an everyday action in the work trenches where a decisive battle is waged day by day to defend the socialist motherland. [applause]

It is quite meaningful that, of all the chapters of the various reports, the one debated and supported the most was the one entitled: Our Strategy Does Not Lead to Capitalism. [applause] I would clearly like to say that despite all current limitations caused by the abrupt decline in the standard of living, in addition to the enemy's aggressions and campaigns, our people favor socialism and its accomplishments. In other words, workers are aware that under these current circumstances, everything we may have to do, even that which may not be viewed as fully socialist, is being done so that we will be able to continue on the path of socialism.

Workers can understand the fact that there are more social inequalities than what we were used to and that these inequalities are essential to make the economy dynamic, to assimilate new changes, and to stimulate the sectors that are playing a leading role in the country's reactivation. What we cannot admit and against which we will decidedly fight are the phenomena of cronyism, nepotism, privileges, corruption, and theft, which come with these differences. [applause] Workers, along with all the people, particularly our women, have faced shortages and scarcity all these years and have carried a burden of sacrifices on their shoulders to make the country move forward. Who but the workers could make up the laborious and humble sectors that are the first to defend the revolution at this difficult moment? At the same time, this willingness, which is consistent with the policies of our state and government, implies the resolve to have each administrative entity do the most it can in terms of integrated attention to workers; protection of their labor conditions; a fight to seek social solutions to people's food, transportation, and other services; a contribution to family consumption; and the promotion of programs to build and repair homes. This is the core of these positions, working and demanding to fulfill them in all places where the union movement must be.

Dear comrades, nothing is more politically important today than the successful culmination of the sugar harvest. We have the pleasure of informing you today that, in the next few weeks, after 1 May, we will be able to announce to the people, the country, and the entire world that we have exceeded the production plan we had set for this harvest, which represents at least [applause] 30 percent more sugar than in the previous harvest. This is a victory obtained step by step with the help of the workers of our primary industry and the mobilized machete-wielding workers who have responded to the call made by the revolution leaders, who have paid honor to the fighting spirit and struggle of this dedicated section of the Cuban working class. It is a success that will have a bearing on this year's economic growth, on maintaining and extending the international credits we need to continue to revive the sugar industry, and on our people's morale and spirit. In addition, it is one of the most resounding blows we can inflict on the sponsors of the infamous Helms-Burton law. [applause] [crowd chants: "Down with It! Down!"]

Along with the restoration of the country's capability to export sugar and other traditional and non-traditional goods, the production of food for the population is still a top priority. The debate on these issues yielded a broad framework for analysis of how to step up the work of the UBPC's and the state-owned agricultural entities, on the union's role in the profitability and efficiency of these activities, and on the clout they must have to increase the levels of production, accomplish the basic supply to the nation through state markets and restaurant services at official prices, and exert more pressure to lower today's high prices in farmers markets. These high prices are the result of the limited presence of state and cooperative producers and the pressure the network of middlemen and speculators exerts on them to seek exaggerated margins of profit at the expense of those who honestly live off their wages or pensions.

In many cases, the importance of strengthening the historic alliance between workers and peasant was alluded to as part of a joint effort intended to find solutions to the previous adversities. What we are attempting to do is to find solutions to problems directly affecting urban working households and, without any doubt, require solutions that can only be found within the regulations that were used to create the farmers' markets. During the debates on the various proposals made, workers never attempted to circumvent the issue of the role to be played by the state organization such as implementing more controls over the farmers' markets, as well as how to ensure that the state's agriculture collection system can perform the role of brokers.

However, these problems will only be thoroughly solved with more productivity, by fully developing the country's land, be it state-owned, cooperative or private. The main feature of many of these lands continues to be low

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productivity, inadequate use of technology, and limited manpower. In addition [20-second break] the basis of our strength lies in our socialist wealth, as well as the independence, sovereignty, progress, and social justice for which we are struggling. To the same extent, we will be able to consolidate these elements insofar as we are able to establish that the realm of efficiency is not the exclusive result of commercial alienation, of capitalist ownership, or of the exploitation of man by his fellow man. Our socialist initiative guided by a plan without disregarding market demands, well directed by utilizing scientific and technological methodology, together with a rational use of human, material, and financial resources; by observing strict technological and labor discipline, and the massive participation of workers in the production and decisionmaking process, is quite capable of conquering the highest levels of efficiency. Here lies the interest of our workers in discussing all topics during this 17th Congress. The reduction of costs, the reduction and elimination of subsidies for losses, which the state still must pay, the increase in quality, the saving of energy and other types of resources, and the increase in production and productivity have to become the central objectives of all labor unions, and each of their multiple actions should converge on this goal.

The final solution to the Leninist question as to who defeats who is to achieve efficiency and the organization, discipline, and effort that this requires. We have examined the social security situation during this year of congress. With great difficulty, the country's economy has faced the rapidly increasing expenses and the large deficit, which currently constitute a significant burden on the national budget's deficit. Unquestionably, this situation could no longer be tolerated. In consideration of the existing burdens on workers' wages, our government believes that it would still be inappropriate to impose direct taxes on wages. For the time being, it will become necessary, among other measures, to strongly fight the upward trend of unjustified early retirements for total disability reasons. The enemy's permanent aggressiveness and the intensification of the blockade with the new slavery law, which Raul has called the Helms-Burton freak, are aimed at trying to drown us, to behead the socialist party and state, to strip workers of their power, and to restore neo-colonial capitalism directed by multinationals and the Miami annexationist mafia. Behind this policy, we find the always present intention to create a conflict or to provoke a situation that could provoke in some way a Yankee military intervention.

From this revolutionary battle station, which belongs to the workers and the union movement, we tell imperialists that their plans will never succeed. We Cuban workers restate today our sacred and unyielding resolve to support the economic reorganization strategy, which Fidel and the Communist Party have outlined, and our confidence in the soundness of mind which the revolution's leadership shows today in handling the most complex economic and political problems and those related to the country's security and defense. We want to state the extent of this resolve, which is expressed by the fact that workers have not made wages the foremost topic during the debates and discussions of the proposals. As we know, current wages do not suffice in many cases to meet basic needs. This serious discussion was brought about during many assemblies and debates at this congress.

Most workers have understood that the time has not yet come to encourage wage increases, which would undermine the effort to balance domestic finances, a goal that has not been achieved yet. Workers have perceived that the main point now is to achieve the national currency's revaluation and to increase production and supply in order to boost the purchasing power of wages. They have defended the socialist principle of measuring reward using work quality and quantity as standards.

However, they have understood the inequality that is imposed by our current circumstances. Once again, workers have remained aside from any economic ambition. Moreover, without shunning the significance of material incentives, they have vindicated patriotic and revolutionary honor and duty as main work incentives in a society that is being harassed, threatened, and overwhelmed by a difficult economic situation caused by external factors. We know that there is a wide gap today between most workers' income and their needs. However, we also know that this gap cannot be reduced with wages that are not sustained with the production of goods and services.

Slowly and in line with the start of economic recovery, incentive mechanisms have been implemented to provide greater possibilities of income to the over 1 million workers in the field of exports and import substitution, as well as in other activities that produce foreign currency. However, it has not been possible yet to increase assistance and extend it to other sectors such as health and education that perform very vital activities for the people and that are doubly worthy of praise for their efforts.

Our congress must express the need to continue introducing formulas and solutions aimed at improving the conditions of these workers as the country's economic circumstances allow it. Similarly, we are reaffirming our commitment to watch over the situation of families whose members work in low-paying jobs and endure great economic hardships. We are also supporting the

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measures our government is taking to ensure that our solidarity system of social care comes to their help. Incorporating young people into new jobs and protecting working women, two amply debated topics, will also be among the main political and social objectives of the labor movement.

Cuban workers will never be swayed by the individualist and selfish way of thinking that capitalist ideology wants to portray as intrinsic to human nature. Collectivism and solidarity are among the most cherished values and constitute the core of national unity, which rallies all the workers around the principle of the Cuban socialist revolution.

Comrade delegates and guests of this congress: We are approaching the end of this speech without providing an outline of the activities of unions in the past years, or trying to accurately portray the greatness of our people and workers, but instead providing a guide for the plenary discussions that we will hold next. You have in your hands the central report that describes more amply the activities of the CTC and unions throughout the years of the special period.

Our 17th CTC Congress is taking place at a crucial time in the history of Cuba and over 3 million workers have participated in a broad and democratic manner. With this experience, we will be more capable of continuing to participate now, devoting our full strength to the decisive ideological and political battle, to which the revolution's leadership have summoned us, through the report of the Politburo of the fifth plenum of the Central Committee. At the same time, from the rank-and-file level we will also begin to draft the economic plan for next year, a task that will increase like never before the democratic participation of workers in the national economic activities.

For that reason, we should not regard this as the congress of the labor movement, but instead as the congress of all patriotic Cubans. This is not a congress to make demands but a congress to defend gains. This is not a congress to demand political maneuvering room. This is congress of workers who hold power. This is a congress to defend that power! [applause and shouts]

In the years to come, the union movement will strive to develop its organizational action by making more and better use of its basic autonomy and by speaking on its own authority. At the same time, it will continue to be a counterpart of management and a guarantor of the general, collective, and individual rights of the workers. However, at this decisive moment filled with challenges and threats we warn that we will never relinquish the revolutionary ideology nor will we stop defending conscientiously the political leadership of our Communist Party, vanguard of our class, that is nourished with its exemplary workers.

Likewise, we will not forget that we owe everything that we are to the unity of the people, with the support of the noble ideas of the revolution and the example and work of its leaders. In the closing years of the 19th century, the nation and its future was represented by Marti, Maceo, Gomez, and the Cuban Revolutionary Party. Today, the paths of patriotism are defined by Fidel, Raul, and the PCC. [applause]

We also want to address our guests and working-class brothers around the world: You can rest assured that the Cuban workers and their union movement will firmly and relentlessly maintain the flag of independence, revolution, and socialism. To defend the case of Cuba in the face of the brutal aggression of imperialism is undoubtedly today the best contribution we can make to internationalism and solidarity with the workers and peoples. However, it is not because of that that we will enclose them in our difficulties like a snail in its shell. We will not struggle just for ourselves. Our voice and combative spirit are, and will always be, next to the workers in any corner of the world; we will be next to all the sister organizations that defend their just rights.

We will continue to decry what the neo-liberal policies represent for the people, as well as the attempts by some regimes that claim to be democratic to destroy the workers' movement and nonetheless try to destroy the union movement. There is a relentless offensive of the large capitalists who hide under the concepts of modernization and the globalization of the world economy. Workers worldwide are facing enemies; an attempt is being made to impose ideas that deny them their rights and aspirations. In essence, these are the same ones who are trying to turn the Cubans into slaves within a Yankee colonialist system. Our struggle is just one. Maybe today it is hitting here, but tomorrow, the main attack of the imperialists could be somewhere else. We must all unite today, as never before, so that the victory of Cuba will the victory and strength of all workers of the world. [applause, crowd chants slogans]

Long live Latin American unity! [crowd shouts: Viva!]

Forty-four years have gone by since the traitor lashed out and imposed the Batista tyranny on our people, Comrade Fidel Castro proclaimed: I do not know what kind of [word indistinct] pleasure our oppressors feel when they use their whips on human backs but I do know that there is great happiness in fighting them, in lifting our arms firmly and saying: I do not want to be a slave!. [applause]

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Thanks to the revolution we stopped being slaves for good and we will never again be slaves. May Fidel's words at the Moncada trials once again be heard in this Congress: We were born in a free country left to us by our parents and the island would first have to sink in the sea before we accept being anyone's slaves. [applause]

Let us bring this idea to the celebrations of the 100th anniversary of General Maceo's fall in Punta Brava when he said: Whoever tries to occupy Cuba will only be able to pick up its people from the ground, bathed in blood, if he is not first killed in the attempt. [applause]

Long live the 17th Congress of the CTC! [crowd shouts: Viva!]

Long live free, revolutionary, and socialist Cuba! [crowd shouts: Viva!]

Long live Fidel! [crowd shouts: Viva!]

Fatherland or death! [crowd shouts: We will prevail!]

Cuba: CTC Presents Report on Salary Increases

PA2904183196 Havana PRENSA LATINA in Spanish 1507 GMT 28 Apr 96

[FBIS Translated Text] Havana, 28 Apr (PL) — According to the central report of the 17th Cuban Workers Federation (CTC), future salary increases in Cuba are contingent upon the economic and productive results, and this variable receives the union's support.

The document, presented to the CTC plenum today, states that the labor organizations should continue supporting the introduction of this type of salary system in all those organizations that already meet the conditions.

The document states that it is important to continue rescuing the purchasing power of the peso and its mobilizing capacity [capacidad movilizativa] via the achievement of greater levels of production and services resulting from an increased labor effort.

After discussing the fine-tuning of the current system to evaluate wages and to encourage technical workers, the report states that the salary with escalator clause, based on the efficient fulfillment of projected tasks, was established in such sectors as tourism, petroleum, nickel, and organizations linked to foreign capital. It criticizes the fact, however, that the subjective input of the supervisors and the superficial nature of the evaluation of final results continue to play a pivotal role in all these circumstances.

As noticeable results of the implementation of the previously mentioned formulas, the report also includes the Basic Cooperative Production Units (UBPC), as well as the decentralization of the use of the salary fund in the country's 156 sugar, agro-industrial complexes and the citrus fruits complexes.

In addition, it mentions the accomplishments made in the business area of the Ministry of the Revolutionary Armed Forces, "where innovative studies on the organization of production, work, and wages were developed, implemented, and consolidated" as well as the implementation of various forms of incentives at state-run farms.

Concerning the incentives paid in foreign currency, which is used in sectors that generate income in freely convertible currency or which replace major import expenditures, it was learned that more than 1 million workers have been benefited.

The labor movement, the report states, has given special attention to the economic results resulting from these incentives, periodically assessing the degree of effectiveness reached.

Finally, the document clarifies that these incentives should be of a temporary nature [ellos tienen aplicacion coyuntural] despite the positive effect attained; therefore, the greatest motivation in the future for the workers should be expected to come from earned salaries.

Cuba: Afternoon Session of Workers Congress 28 Apr

PA2904194696

[FBIS Report] Havana Tele Rebelde Network in Spanish at 0030 GMT on 29 Apr 96 broadcasts a 95-minute recording of proceedings at the afternoon session of the 17th Cuban Workers Federation (CTC) Congress, held in Havana on 28 April.

Cuban President Fidel Castro, CTC Secretary General Pedro Ross Leal, and delegates from all provinces are among those in attendance.

Coverage begins with Ross asking delegate Rolando to review Havana Province's efforts in preparing the sugarcane fields. Rolando says that 53 percent of the ground for planting sugarcane has been broken, adding that 60 percent of sowing has been completed. The official notes that incentives and motivation has increased. Ross then asserts that according to Rolando's figures, this province is behind in harvest efforts. Rolando responds that the complete plan will be fulfilled by 15 May. Castro asks Rolando how much sugarcane they expect to cut next year; Rolando replies that they expect a 10-percent growth in 1997.

At 0033 GMT, Ross asks delegate Pintado to list figures for Havana. Pintado begins by saying they expect to break ground for 774 caballerias. He adds that they hope

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to grind 10,000 arrobas per caballeria next year, noting this year's growth totaled 8,000 caballerias. Castro interrupts and asks how much sugarcane was ground in Havana in 1970. An unidentified delegate replies that Havana Province produced over 600,000 metric tons of sugarcane during the times of socialism. He notes that last year more than 1,400 caballerias were planted. He concludes by saying that Havana Province will be unable to meet its goal to produce 383,000 metric tons and instead will produce between 350,000 and 355,000 metric tons.

At 0039 GMT, Ignacio Castillo Reyes, from Cienfuegos, presents his report on problems affecting the harvest in this province. He states Cienfuegos Province has so far produced 60,000 metric tons of sugarcane more than last year. When prompted by Castro on how much sugarcane is left to grind, an unidentified delegate cuts in and says there are 42 million arrobas of sugarcane to grind.

At 0046 GMT, the administrator of the Julio Antonio Mella Industrial Automation Center (CAI), in Santiago de Cuba, takes the floor and invites Castro to visit the province. She notes production accomplishments in Santiago de Cuba and efforts to help the harvest in Holguin Province. She also reports that potato production goals in this province have also been met. Delegate Aruca then explains weeding of sugarcane fields for planting in Santiago de Cuba. He also comments on work being done to improve drainage. He concludes by reporting 6 percent growth in yield per caballeria.

At 0054 GMT, delegate Alberico Carbonell, from Guantanamo, comments on the progress of the sugarcane harvest in this province. He reports that Guantanamo Province will meet its 90,000-metric ton production target this very evening. He notes a 32 percent growth in production and a decline in losses.

At 0056 GMT, the delegate from Camaguey begins talking about commitment to prepare fields for planting. He notes 3,598 caballeris should be planted, which will represent a growth of over 75 million arrobas for next harvest. He observes Camaguey is in a position to increase sugar production by over 50 percent. He adds that so far 417,000 metric tons have been produced, adding that there is still room for improvement.

At 0102 GMT, the delegate from Granma Province explains 186 caballerias are yet to be prepared, as the rest have been prepared. He notes there are some delays in planting up to April and provides figures on weeding and irrigation. He concludes that they expect to meet the provincial production plan — 301,272 metric tons — before the CTC Congress ends.

At 0105 GMT, Pablo Pena Serrano, secretary of Antonio Viteras CAI, in Las Tunas, begins by saying that workers are motivated by the recent visit by Castro. He states that 58 percent of ground preparation has been completed in the Antonio Viteras CAI and that 87 percent of ground has been broken. He refers to the housing construction plan in the Antonio Viteras CAI, noting that 380 homes were built and over 2,000 were repaired.

At 0111 GMT, Juan R. Perez, Havana delegate and a member of the 1 May Contingent, reports that an 11-year-old boy has worked on the sugarcane harvest in Melena del Sur. He commends the boy for his selfless interest in the sugarcane harvest and concludes by requesting the assignment of new tasks from Castro.

At 0114 GMT, Ross notes that the new task at hand is to plant as much sugarcane as possible during the spring and to weed fields. Ross then gives the floor to a delegate from Villa Clara Province.

This delegate states that the Hermanos Almejeiras CAI has cut 2 million arrobas of sugarcane. He concludes by paying special recognition to working brigades in this province.

At 0121 GMT, Villa Clara delegate Hilda Alonso Goes reports the conclusion of the harvest in that province.

At 0123 GMT, (Argelio Quevedo), secretary of the Havana branch of the Cuban Construction Workers Union, refers to Castro's recent criticism of construction workers. (Quevedo) explains that construction workers held a meeting to discuss Castro's criticism and deal with problems. He remarks that productivity must be increased to resolve problems. (Quevedo) reports on efforts to streamline costs and create incentives for workers.

At 0130 GMT, Castro begins discussing construction work with Felipe Ramon Perez Roque, a member of the Cuban Council of State. Castro and Perez discuss construction in the tourism sector, productivity, new technologies and ideas.

At 0151 GMT, Castro refers to the main problems of tourism in the capital, particularly prostitution. He then says no prostitution exists in Cayo Coco and other resort areas.

At 0153 GMT, (Quevedo) addresses Castro's concern on the arrival of workers from the interior. Castro and (Quevedo) then discuss the influx of workers from the interior into the capital. (Quevedo) explains that construction workers have more stability now than ever.

Castro then notes that the concept of looking after the individual improved with the creation of contingents.

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Castro says the problem with workers from the interior is that they bring their entire families, leaving no one to grow coffee in the mountains. He then views the agricultural potential of Cuba as compared to that of the PRC.

Castro then stresses the importance of the efficient operation of sugarmills. He concludes by discussing with Perez operations at the Peru Sugar Mill.

At 0205 GMT, coverage ends.

Cuba: Fidel Castro Remarks at CTC Congress 28 Apr

PA3004013996 Havana Tele Rebelde Network in Spanish 0130 GMT 29 Apr 96

[Discussion between Cuban President Fidel Castro; Felipe Ramon Perez Roque, a member of the Cuban Council of State; and (Argelio Quevedo), secretary of the Havana branch of the Cuban Construction Workers Union, during the afternoon session of the 17th Cuban Workers Federation (CTC) Congress in Havana on 28 April — recorded]

[FBIS Translated Text] [Castro] Next door there is a construction site. The building is being expanded to turn it into a hotel to serve this Conventions Palace. The people at the Councils of State are often informing me of the construction speed of this work next door. It will have 180 rooms, rated at four stars. It is being built in 14 months. I wonder what the monthly production is; I guess it must be high. There are 100 or so men working there at a good pace. Perhaps Felipe can give us some idea, if he has visited this site. Is Felipe here?

[Perez] I am here.

[Castro] Do you know? It is a 14-month project?

[Perez] It is a 180-room, four-star hotel. Initially the comrades had estimated that it would take 16 months to build. But afterward, we realized that it was possible by working hard to complete it in 14 months. This work began in May 1995, and it one one year's work will be completed the first days in May. It will be about 63 percent complete by the end of April. By 30 May, it should be 75 percent complete. The cost is just under 12 million pesos, taking into account both currencies. More or less 11.6 million pesos.

[Castro] What was the productivity value?

[Perez] I do not have the exact figure. Here we are dealing with various construction forces. Here we have city Micons [Ministry of Construction] workers from (Majalacoa); workers from Cubanacan's [Cuban Tourism and International Trade Corporation] construction brigade, who have been at the site since the work began. The other day it seems that the Cubanacan construction workers had mentioned an April productivity figure close to 4,000 pesos, I believe. I do not have the exact figure with me.

[Castro] How long will it take to recover costs taking into account the number of international events that take place here?

[Perez] It is estimated that the hotel will have a high occupancy rate when one takes into account that every year the Conventions Palace receives between 13,000 to 15,000 foreigners who take part in events held here. In addition, we expect tourists who have no connection with the Conventions Palace and who will have one more hotel option in this part of the city.

[Castro] There is news everywhere about new technology, ideas, equipment, and so forth that with organization and discipline, plus a series of additional concepts, can revolutionize construction work and the productivity of workers. There are plenty of new things. In Cayo Coco, an aqueduct is being built using many new materials. The pipes can be carried by two men as if they were as light as a handkerchief. It is calculated that those pipes can last 60 years. They are made of fiber optics... [pauses] what is the name? Fiberglass, that's it. It is expensive, but the work itself turns out less expensive because it is done very rapidly. This can solve many of our problems that we come across in all the buildings on the coast. We can take there all the best quality water. Construction is at a tremendous pace. Materials are having a big impact on construction. We are going to have to study costs, but the difference it will make is tremendous. The hardness is adequate. From what I hear from many people, the outlook is great. Those people in Cayo Coco are very good people. The same goes for the people in Ciego de Avila and Santiago de Cuba. They only turn bad when they come here to Havana. [laughter] People in Ciego de Avila, Cayo Coco, and all those places... [pauses] it is strange. These people make an excellent impression and they are also advancing very quickly. In a matter of months — 18 months, 20 months — they are building a hotel there, which, in its initial stage, will have 500-odd rooms, and afterward, it will have up to 700 rooms. Things there have changed incredibly. That could well set a construction workers' standard. There was nothing there before; only an embankment. The embankment had to practically be built clandestinely. I asked myself whether I had anything to do with this business. [chuckles] I got them a bunch of trucks because we wanted to know how many rocks were needed to build 1 km of embankment. How much gasoline would be used, how much oil, wages. We began the first embankment. Nearly all the coun-

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try's embankments have been completed. Who would have thought they could be built in that place where there was nothing. A road was also built. There is also a water desalination plant, which is a magnificent solution in many places where a pipe cannot reach, such as in Cayo Largo. There the problem has to be solved with a desalination plant, which is inexpensive and produces water cheaply. They have the plant there until they find water in Moron.

That is growing at an amazing rate. There still are many people there who have been unable... [pauses] they are not yet putting the most modern methods into practice, but they are producing and are performing quality work. It is something extremely serious, serious. I do not have any doubt that you are going to prove what you are capable of given the current conditions. We have taught many methods, and we did not lack a labor force because of the excess of men and because of a lack of production [words indistinct] went up, because we did not have enough builders [words indistinct] this capital. This capital does not want to build [words indistinct] theaters, too much development [words indistinct] finding builders in this capital is difficult. There are builders in Las Tunas and even Camaguey, from eastern Cuba [words indistinct] problems here, especially in this city. There is not enough water; we have to seek formulas, because there are cities that have grown a great deal. The need for aqueducts and sewage is very big.

However, there are new techniques on which we have fallen behind, techniques that we did not even know: Construction means, materials, small equipment. I criticized builders, but included everybody in this category. I spoke mainly about tourism, because there was a big boom in the tourism sector. People did not fit in it. There were huge opportunities. We have to build at least 4,000 to 5,000 rooms a year, several thousand a year... [pauses] in Varadero, last year, a hundred and something rooms had been built in Varadero alone; everybody was demanding this.

On the other hand, when one travels, one realizes the country is talking about the sugarcane [words indistinct] last tour of Esmeraldas, all these places, Jobabo, Peru, and we... [pauses] it seemed to me that we were in the PRC and Vietnam. This country has experienced a population explosion. If it is not the entire country, at least many communities of this country.

The PRC has a great deal of land, but agricultural land comprises only 100 million hectares. Vietnam has... [pauses] the PRC has 1.2 billion inhabitants, and you see [words indistinct] houses and people. The number of people is amazing, and then you go to Esmeraldas. What there is in Esmeraldas is [words indistinct]] Brazil, Esmeraldas sugar mills. I was pleased that we built the embankment in Cayo [word indistinct] 21 km of beautiful beaches. This area is going to be developed. Ciego de Avila is developing with all those things in Cayo Piedra, Caibarien, all the region, and I was wondering where that many people are going to work.

I was attending the event at the Peru Sugar Mill [words indistinct] there were thousands and thousands of people in the Peru Sugar Mill. I was telling myself that it was impossible for all these people to live off a relatively small industry. Of course, we have the countryside, which can employ a large force, many people, and it is employing them through different means. We have to introduce technological innovations into the agriculture sector. We are producing strawberries for Varadero tourists, high quality strawberries with new technology. We have to produce tomatoes and others products in the summer, in the year's many seasons. Agricultural work could pay off; it could be a large source of jobs for the country. I was pleased to realize that tourism could create many jobs for many people in all these places.

In a multitude [words indistinct] everywhere [words indistinct] people, we cannot live by working 90, 100, 120 days; it is not enough. In addition, you have to take care of this labor force. We have certain activities in which stability is a phenomenon, a relative phenomenon.

We need to see how we solve the sugarmill workforce stability problem. Now it is increasing and new phenomena have taken place in connection with many of the problems Ross mentioned in his speech this morning. There is a slightly greater need for money due to all these things; there is a new spirit, a different attitude by the people. We need to find solutions to many of these problems. Trained men in sugarmills who are lost are not easily replaced. There is no estimate on how much this costs. We need to see what duties, what tasks, what things can be found that are enjoyable by the people doing the work and convenient for those doing these tasks. This will allow us to find stability in the sugar industry, which will allow a greater participation by those people living in the area, while at the same time guaranteeing that one can count on that worker. One of the problems that has not been mentioned [words indistinct] plenty of times, is that the sugarmills have lost qualified workers, and many of the problems there were operational in nature. This makes me wonder a lot. It was once said that it was quality, or whatever. [chuckles] I believe that this is why some of the sugarmills had a performance yield of eight or nine, instead of 11 or 12. We only need to ask why sugarcane has not improved with all the scientists we have. I say that there has practically been no im-

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provement at all. Some may argue that this is not true, that new varieties exist, which I may not be familiar with. But I do not see any new varieties such as the 43-62, which we mentioned was lost. The [word indistinct] 60-5, I believe it was the Eliseo brothers in Camaguey. Either that one or the 87-51, one of the two. That man was in search of a sugarcane, which who knows how we would make out without it. Nevertheless, it is a variety threatened by certain plagues, certain pests. This country has so many scientists and laboratories and no new varieties have been created, which can give a yield of 15 or more and resist plagues. There have been sugarmills with a performance yield of 14 [words indistinct]. I do not know if they used honey [laughter] to get such a figure. We need to see what [words indistinct] to see what yield it has had, which is a big sugarmill. We have not advanced and we need to improve our technology, science, and all these things much more.

This also holds true for construction work. We need to solve the problems. Havana cannot continue to bring construction workers from Oriente Province, Camaguey, and those places. It is amazing how many illegal workers we have in the old part of Havana. This cannot be resolved by anyone unless there are other formulas, a different alternative, which will somehow allow people to work where they live. The revolution has done plenty. [Words indistinct] is new. Who says that today Las Tunas should not be a place where not too long ago one rode a bus [guagua] or visited a coffee shop, and I do not know what else they had. Today, Las Tunas has super hospital so and so, the (Salpito Asylum), and a pedagogic university. Many cities in the country's interior have developed with only an elementary school nearby. Every time I mention the word interior I remember a comrade who said in an assembly: Listen to me, if the other people are from the interior, who are we? Foreigners? [laughter] He reacted to the word interior.

A new spirit has developed over these years. Sancti Spiritus is not what it used to be, Holguin is not what it was, or Bayamo. Unfortunately, this does not hold true with other provinces. Santa Clara or Pinar del Rio are not what they were. Despite this all, this trend has not been as great as the rest of Latin America. All these sights we see on television is the cost of a lack of a national planning policy. These are some of the problems that we are facing today and which force us to build so much and makes us think. This will require us to search for solutions to many of these problems. I will tell you the truth, I prefer those little economic houses rather than those apartment buildings that all look alike. Some of these houses were not built by those living in them, and they are — they are supposed to be good. [chuckles] But [word indistinct] listened to the comrade who spoke about the ecological communities. Statistics were presented that were somewhat [words indistinct]. Pretty houses can be built in nice communities, where it will be better to live than in an apartment on a fifth floor in the (Alamar). I remember when the (Alamar Segundo) was being built and many people moved there. Transportation and other problems ensued. Many people prefer to live in one of these houses they occupy illegally with another 20 families rather than live in an apartment. I say that these situations must lead us to find solutions. I repeat, construction work will revolutionize things; will save effort. Not so as to have people without work, but to enable people to do more things faster.

Because in this country... [pauses] you saw the sewer lines I was telling you about. And that is something else.

We are facing the main problems with tourism here in the capital. If you go by Cayo Coco, or the future (Cayo Sabinal), (Cayo Club), you will see that problems in those places are completely different from the ones we have in some hotels here. There is a type of person that is not known: Prostitution in general, as they say. And I say prostitution in general because the Cuban Women's Federation gets angry if I use the word prostitute alone. Vilma gets angry because she says we discriminate against women and that there are male and female prostitutes.

They don't walk on the embankment [words indistinct] that type is not known in Cayo Coco or in (Cayo Guillermes). This may be one of the awards we may offer — not many because we must save foreign exchange. We can take some people there so that they can see some of those places. That is advisable. [applause]

And you are the ones who must build all that.

[(Quevedo)] With regard to your concern on bringing workers from the interior, there was a time here when Micons had approximately 9,000 workers from the interior.

[Castro] What was that?

[(Quevedo)] There was a time here, I don't know, perhaps four or five years ago, when Micons had approximately 9,000 workers from the interior who get free room and board in the capital.

[Castro] More than that.

[Perez] More than that, (Quevedo).

[(Quevedo)] Yes. Today, Micons must have approximately 4,000 workers from the interior who get free

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room and board in the capital. And the number of construction workers in the capital is increasing. Moreover, the labor force today has more stability than before the the special period in peacetime. Although the revolution has dignified construction workers, the special period in peacetime made us think about seeking solutions to the needs of the population, recognizing the population, and giving them social recognition. This has resulted in greater stability for workers.

[Castro] But this came from way before, because the concept of looking after the population improved when the contingents were created. Those words, looking after the population, were their motto. Obviously, they also had salary incentives, an extended working system, and high productivity. Unfortunately, we did not know how far it went, but with the new things that are appearing out there... [pauses] There is nothing special about this hotel. They have the materials, they have the input, [words indistinct] attention, looking after the population. But there is nothing special about construction workers here, those I mentioned. There is nothing special about those who will build the hotel next to the convention center.

[(Quevedo)] The country has to pay for construction workers from the interior here. Those workers must be given food, clothing, supplies.

[Castro] If he comes from here, we must give him the same things. We must give them clothing, supplies.

[(Quevedo)] But we must provide full board to construction workers who come from the interior.

[Castro] Those from the interior come with a bunch of people to settle here. [laughs] If he came alone to stay here, there would not be a problem. They come accompanied by several people, with 13, 14, 15 people. That is intolerable. There is no one to grow coffee beans in the mountains, in spite of the [words indistinct] which has improved, the exodus has stopped.

But here one sees a demographic explosion in Cuba. [words indistinct] China, we have the same number of residents per square kilometer as China does. The only thing is that we have more per capita farmland than China. If they can grow crops in 10 percent of their country's geographical area, we can grow crops in approximately 25, 30, 40 percent of our geographical area. It is variable.

They have an area of 100 million hectares to grow grains, rice, food, and they lose arable land every year with the construction of factories, roads, railroads, all that. The same holds true in Vietnam. You travel on a 100-km road and you see housing areas along the entire 100 km. You get a sense of what the demographic explosion is when you visit those countries.

They have to make a big effort. China, with 5 percent of the farmland, has 22 percent of the world's population. They only have 5 percent of the world's farmland, yet you don't see anyone starving. They have achieved an incredible accomplishment. But the feeling one gets when visiting one of these places is that... [pauses] when you go past Argelia Libre and other places you drive for kilometers without seeing anything. But when you get to the communities, towns, you find people coming from everywhere.

They say they cannot keep living off the mills they used to have; they have to seek industrial and other types of development for these areas, for these sectors such as the sugarcane sector. This does not happen to the potato sector, because [words indistinct] sweet potato, other things come. There is a lot of work. The sugarcane is more seasonal; all these harvest activities should not take more than four months. The weather changes a great deal; it used to take five months. When the heavy rains come, it is very incredible. At the Argelia Libre Mill, 23 mm of rain made them stop on 27 April, and we wonder when they are going to start again. They say maybe on Monday, 29 April, and they have 40 million arrobas there.

Mechanization is the only way to have a sugar industry in Cuba, a sugar industry. They can make these mobilizations one day, not every day; they are expensive, and they are hard on men. Without machines, there could not be a sugar industry in Cuba. It also requires other techniques such as the compress [compactacion], what measures to take, all these things, what to do when it rains. There used to be some mills in northern Sancti Spiritus and Villa Clara Provinces, and we said that we have to seek combines similar to the rice harvesters to be able to harvest the sugarcane. They remained halted for a month. Of course, we have built drains and [word indistinct]. It could be improved. The little amount of water it takes to stop the machines and the mills is incredible. The amount of water is more in some mills than in others due to the color of the soil — red, black — and whether it more or less has clay. All this has a bearing. I repeat for the third time: The sugar industry's significance is more than economic, much more than economic. We have to think about the development of all these farms.

Aside from what has been done, a sulphating machine [sulfural] was going to be built, one made of wood with bagasse or something similar. We have to create industries and create conditions in these areas around the sugar mills, because we need the stability of

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this workforce. I believe that it is also an area in which a certain degree of automation is necessary, even though it may be paradoxical. We are trying to seek communications for everyone. The complex, the industry, the fleet of sugar combines, the UBPC's; we want to connect everybody via telephone, a telephone system, radio, and other means. There will come a day when a manager in a mill... [pauses] he now has to send a man running there, because there are certain mechanisms that could give him some information on [words indistinct] the acidity of this or that. The process could be automated in these places; it is much safer, because in a matter of seconds, a team alone can fix this. We at the Central Institute for Digital Research [Instituto Central de Investigaciones Digitales], along with other bodies, can study all these matters pertaining to communications at the sugar mills. Automation involves many processes. It is not a matter of keeping the men, although some need to be kept, and we have to keep them stable. It is a matter of seeking more efficiency in the operation of a mill. Many of these problems are operational problems. There are major prospects in the two sectors: In the sugar sector and... [pauses] It seems to us that, starting with everything that has needed to be thought about the situation we are experiencing and the problems... [pauses] hey, we even had a papaya harvest for 8 million [not further specified] with 4,000 Soviet-made machines. At least we had them; otherwise, we could not have done it. Sometimes they were at the shop all the time; we had to have 4,000 of them. The machines we are manufacturing, as I was saying, are very good, more efficient, stronger. I hope they can cut in places where the soil is more moist.

We are promoting the same concepts in the rice industry. This hard, very hard situation leads us to have to think a great deal about many things we have to do much better than we used to. I hope that in this movement, you will remain at the vanguard.

Sorry Roque, I have taken time away from the Congress.

[Roque] No, you... [pauses] everybody is listening to every single word you say.

[Castro] We have the duty of sharing with you what we see, what we learn, what we think about.

[Roque] Of course.

[Castro] The one who is there... [pauses] what is the name of the town near the Peru Mill?

[Unidentified speaker] Jobabo.

[Castro] He [not further identified] does not even realize what we are realizing in one day. He saw a large crowd in a mill that worked for approximately 60 days. He said: Tell me, Fidel, this crowd...

[Ross, interrupting] Tell me about it. I knew this mill more than 30 years ago.

[Castro] There were fewer people; were there not?

[Ross] Much fewer people. In Las Tunas, the capital, there was not a single high school. There was no junior college [preuniversitario] or a public hospital of any type. There were no children's hospitals or general hospitals. The first hospital that was built in Las Tunas...

[Castro, interrupting] Have you been to Las Tunas?

[Ross] I was the PCC secretary in Las Tunas...

[Castro, interrupting] Oh, it sounds like you are telling us you were born there...

[Ross, interrupting] In 1969. That is the problem. The first hospital was built when Machado was the public health minister. Nowadays it is the children's hospital...

[Unidentified speaker] This Machado, right? [laughter, applause].

Cuba: Ross Leal Comments on Fighting Corruption

PA3004041396 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Apr 96

[Report by Demetrio Villaurrutia from the "National Radio News" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] Today marks the second day of commission meetings of the 17th Cuban Workers Federation [CTC] Congress. Demetrio Villaurrutia reports from the Conventions Palace.

[Villaurrutia] The session began when the Lazaro Pena banner was handed over to Primero de Mayo Contingent of this capital city for fulfilling the sugarcane cutting plans. Ivan Martin, an outstanding machete cutter of one of the brigades, received the award from our commander in chief. The struggle for excellence in the field of tourism, as Ross has described it, and the contribution of tips in order to finance the purchase of medications for the seriously ill were mentioned repeatedly during this plenary session. Topics also covered the struggle against anything that could affect the image of tourism:

[Unidentified speaker] "On the struggle against prostitution, there are some workers within and outside the field of tourism who do not know the difference between prostitution and piracy. There are also some pirates in that field; that is right. I wanted to refer to that matter. When you talk about prostitutes, there are some workers who think there will be less revenue if the prostitute

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does not go to a kiosk, does not go here or there. That is a problem we must pull out of the mentality of those workers and all those who are confused.

"Prostitutes have every opportunity to make contact with whatever the state sells; that has become a business. When she meets the tourist in the place where she meets him and after she has had a couple of beers, she starts telling the tourist not to take a taxi, because they are very expensive. She tells him to go with another one who charges 50 [currency not specified] instead of 100 [currency not specified], and she gets a cut of five or 10 [currency not specified]. She also tells him not to eat that lobster costing 19 [currency not specified], that she will take him to a place where you can get lobster for 10 [currency not specified]. She then finds two other guys for that. She also tells him not to stay at a certain place but at another one. She also gets two more guys for that. She tells him not to buy a certain handicraft in such and such a place, because she will take him to a place where it is sold cheaper; therefore, she is conspiring against work and the economy of the country.

"That is the struggle we must wage, because it is becoming a business that, far from helping and supporting us, is actually counterrevolutionary, because it goes against the economy of the state; therefore, I think a pronouncement against this problem must be a very strong one. If the state has already decided that there should be no prostitution in this country, then there will have to be a law that will severely punish this problem. [applause]"

[Villaurrutia] [CTC Secretary General] Pedro Ross insisted on a stronger action by the National Tourism Workers Union in order to fight corruption and the deviation of funds within every work group:

[Ross] "The union must struggle against the deviation of funds, corruption, those who turn management positions into places for stealing. Each time an audit is made, we discover certain actions that should have been detected because they are taking place in front of our own eyes. No one reports them. It takes an audit to bring this out in the open. [applause]

[Unidentified speaker] "But Pedro is right when we speak about the concept of being combative.

[Ross] "We have very good comrades, but we also have people who have become corrupt, who go bad for just $4, which are not worth anything. The moral values of a man are worth much more, and that is what we have to defend. [applause]

"If we were to act better, we could save many of these comrades. When these comrades were appointed to these positions, it was because they are revolutionary comrades, because they have good conduct, because they have demonstrated that they are good. Naturally, they are under fire now, and we must protect them so they will not burn. That is where we must take action and not act falsely by covering up for them. When things come out in the open, everybody wants to report them and attack them. Well, they are going to get some of that, because the prosecutor's office is going to give them what they deserve."

"We should not wait, however, to reach those extremes. In that regard, we are still weak, lazy; that is the truth. We are afraid sometimes, because when a comrade starts to report, the others make life impossible for him. Then the union has to go to other levels, to the municipality, the province, the nation, and to our CTC, so we will support and protect that worker. Anybody who harms any of our workers [applause].... [pauses] We have sufficient strength, the support of the leadership of the country, the main leaders of the country.... [pauses] If the union reports something that is being done wrong and if it is proven, then no reprisals will be taken against anyone. They have the full support of the revolution, the top leadership of the revolution. We do not have to wage a witch-hunt, but we will have to do some witchcraft to prevent people from stealing. [applause]"

[Villaurrutia] In this regard, Roberto Jimenez Polanco, of the tourism workers union, had this to say:

[Polanco] "In addition to assimilating these investments and the challenge of tourism, our mission consists of raising the revolutionary, combative spirit in this sector and not allowing any negative expressions in any place. We must increase our actions in a permanent manner in all sectors, bearing in mind the good examples of Sara, Chacon, and many more from our sector. With our shortages, with whatever we have for making progress, I wanted to bring the message to our congress that the country and the working class have a mainly revolutionary detachment in tourism that is determined to continue with this program for the benefit of the people."

Cuba: Workers Congress Delegates Discuss Tourism Crimes

PA3004034696 Havana PRENSA LATINA in Spanish 1843 GMT 29 Apr 96

[FBIS Translated Text] Havana, 29 Apr (PL) — The delegates to the 17th Labor Congress meeting in this capital today demanded stronger action by the state and society against crimes linked to tourism.

President Fidel Castro said Cuba will exploit tourism to the utmost degree and "in every possible manner," because it is an important source of revenue. He said this

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industry will be developed in the country "as decently as possible."

Castro thus described his government's policy when he participated in debates on a number of crimes associated with this sector, including theft and prostitution. The latter activity, he said, not only entails health problems but could serve as a channel for the entry of drugs as well.

Nevertheless, he warned that the country cannot live in a crystal urn but must make use of all its economic potential. "If we fail to win the battle of tourism, we will be unable to win the battle for the survival of the revolution," he said.

During the second plenary session of the highest organization of the Cuban workers, R. Bacallao, leader of the Varadero beach resort labor union, proposed to legislate against prostitution. Such a proposal would update the current legislation in accordance with the present conditions of the country's tourism development.

The delegate also mentioned the support prostitutes are giving to private businesses, in terms of rents for lodgings, transport and privately owned restaurants, and others, all of which deprive the hotel and restaurant network of revenue.

Jose Luis Villamil, secretary general of the maritime, port, and fishing labor sector, reported the good results that have been obtained from this activity. Although more than half the sector's ships had been stopped, 90 percent of them are ready for sailing at present.

The efficiency at the sugar processing plants, which was 70 percent in 1995, is expected to reach 85 percent this year.

In addition, Fishing Minister Orlando Rodriguez Romay announced that the theft of lobsters from the industry was estimated at between 300 and 500 metric tons in 1995, but this figure was expected to be lower this year through the order and discipline applied in this sector.

The minister said 600 metric tons of lobster were fished in Cardenas Bay in 1987 but that less than 70 metric tons were caught in 1995 because of illegal fishing, fishing boats from other countries, and theft from Cuban installations and ships.

Fishing Ministry sources estimate that the Cuban marine sector can yield 50,000 annual metric tons of lobster in four or five years if greater discipline is applied and greater efficiency obtained.

Cuba: CTC Congress 29 Apr Morning Session Debates Tourism

PA3004041196 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 30 Apr 96

[From the "NTV News" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] Important topics for the country's economy were debated today in the continuation of the 17th CTC [Cuban Workers Federation] Congress. Commander in Chief Fidel Castro and Army General Raul Castro again chaired the labor event today.

The labor movement's activity in the tourism sector was reviewed during the morning session.

[First unidentified delegate] "Almost every time we talk about tourism we begin by talking about the things that make us different from other sectors. We say tourism workers have transportation, a good salary, they eat well — in other words, a group of requisites that they have and that favor them. We can say they are privileged workers in this country.

"On certain occasions we also talk about any case of corruption that may arise, about a selfish comrade, about any individualism. It is true that they exist in the tourism sector but they do not involve all the workers. We seldom talk about those workers' patriotism and this is what makes them equal to the other workers in the country. A long time ago, tourism workers decided what system they would live in, and the system in which the tourism workers live is the socialist system. A long time ago, tourism workers also decided what party should guide and orient them, and that party is the Communist Party of Cuba.

"Regarding defense, it turns out that Varadero Municipality is the first municipality in the country to declare itself at the third level regarding the protection of the population. [applause] This also puts it on an equal basis with regard to the effort being exerted in all the other sectors of the country."

In general terms, the information offered at the plenary session foresees an increase in the number of tourists for this year and a higher daily revenue per visitor. The labor union directorate urged tourism workers to counter lack of discipline, any manifestation of corruption, and anything that prevents good results.

[Second unidentified delegate] "We see very good comrades but we also see people who are corrupt, people who are bribed with $4, which are worthless, $4; $100 represent 100 Coca Cola's, which are worthless because a man's morality is worth more, and it must be defended. [applause] If we acted better we could

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save many of those comrade; those comrades are put there because they are revolutionaries, because they are comrades whose conduct has proved they are good. We take them there and, obviously they are tempted, and we must protect them so they do not fall.

"Therein lies our action, rather than falsehoods of covering up for people's actions. Later on, when they are discovered, everyone wants to report them and punish them. Well, they will receive their punishment, because the Attorney General's Office will sentence them accordingly, but we must not let them come to that. We are still weak in that. [passage indistinct] If they want to resign, their lives become unbearable. Then they will come to municipal, provincial, and national unions, as well as our CTC. And the system under which the tourism workers are going to live is the socialist system."

Haiti

Haiti: 2 Policemen Killed in Port-au-Prince

PA3004045596 Port-au-Prince Signal FM Radio in Creole 1130 GMT 29 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] At least two Haitian policemen were killed in Port-au-Prince this past weekend. Unidentified individuals shot the policemen who died. A policeman was killed on Second Bolosse Avenue and another one on National Road No. One.

National Police Officials have not yet reacted officially to explain the circumstances surrounding the killing of the two police members in Port-au-Prince.

Residents of Port-au-Prince have said they heard many gunshots in their neighborhoods during the entire weekend. The gunshots caused the deaths of at least two policemen, one on National Road No. One and another on Second Bolosse Avenue.

Haiti: Police Seize Weapons From Home of Former General

PA3004050896 Port-au-Prince Radio Metropole in French 1045 GMT 29 Apr 96

[From "The Morning Newscast"]

[FBIS Translated Text] Weapons have been discovered in the home of a former Army official.

The National Police on 26 April seized a large quantity of ammunition discovered in the home belonging to former General Philippe Biamby. Magazines for automatic weapons and ammunition have been confiscated by the police who then questioned two occupants of the house, apparently caretakers.

According to initial statements given by the individuals questioned, strangers took about 10 M-16 rifles from the house during the evening of the search.

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Mexico: U.S. Asked To Clarify Accident Involving Aliens

PA3004015296 Mexico City NOTIMEX in Spanish 0444 GMT 27 Apr 96

[FBIS Translated Text] Mexico, 26 Apr (NOTIMEX) — The Mexican Foreign Secretariat has announced that its consulate in San Diego today requested that U.S. authorities initiate an immediate investigation to clarify the highway accident in California in which two alleged, Mexican, illegal aliens died.

According to the communique, the request had been made to the Inspector General's Office, which is equivalent to the Internal Affairs Division of the U.S. Department of Justice, in addition to the Sheriff's Department, the Highway Patrol, and the San Diego prosecutor general, Alan Bernstein.

The Mexican Foreign Relations Secretariat stated that the consulate had requested "the immediate setting up of an inquiry to clearly determine how this morning's (Friday) events unfolded and to establish accountability."

The Foreign Secretariat explains in a communique that the accident had taken place on interstate highway no. 8 in the community of Alpine, San Diego County, at 10:40 local time (1740 GMT), when a vehicle overturned while allegedly transporting an unspecified number of illegal aliens.

As a result of the accident, two of the occupants of the vehicle died, and 19, all of whom were taken to six San Diego hospitals where Mexican consular officials had already arrived to provide assistance, were injured.

The Mexican diplomatic mission in that U.S. city has been in contact with the San Diego Forensics Office to provide assistance in identifying the victims of the accident.

On Friday, following the accident, Luis Herrera Lasso, Mexican consul in San Diego, met with Border Patrol officials to receive additional information on how the preliminary investigation is progressing as well as to participate in the interviews of the wounded who were hospitalized.

The Foreign Secretariat stated that two Border Patrol agents, according to available information, had received information about a vehicle traveling with illegal aliens near Willow Road where the officials gave chase.

When the two agents, using handwritten signs, asked the vehicle's driver to stop, he accelerated rapidly, trying to turn left and supposedly striking the Border Patrol car, an action which caused both drivers to lose control.

The vehicle, which bore California license plates, carrying the illegal immigrants "overturned several times, while the Border Patrol car was struck from behind, but its occupants where unhurt," the communique states.

The Foreign Secretariat stipulated that its consulate will continue to monitor carefully the course of the inquiry in order to keep the public informed of the results.

Mexico: Government Accuses EZLN of 'Delaying Tactics'

PA2904203396 Mexico City NOTIMEX in Spanish 1827 GMT 26 Apr 96

[FBIS Translated Text] Mexico City, 26 Apr (NOTIMEX) — Representatives of the government and the armed rebel group that operates in the southern State of Chiapas last night concluded a round of talks with an agreement on the "democracy and justice" issue, which they had been discussing since last week.

The Government Secretariat said in a communique that among the most significant advances made at this phase of the negotiations was with regard to the "Defense and Strengthening of National Sovereignty," one of the seven secondary issues that was discussed by both parties during this round of talks.

However, the Government Secretariat accused the Zapatist National Liberation Army (EZLN) of having used "delaying tactics" to prolong the negotiations.

According to a communique issued from the capital, EZLN advisers used the meeting, which began last Friday in San Andres Larrainzar, Chiapas, to prepare for a forum on democracy and politics, scheduled for May.

The Government Secretariat said that the armed group was using delaying tactics after it proposed a renewal of the discussions on "justice and democracy" in six weeks, when the agreement from the negotiators stipulates four weeks.

The Government Secretariat said that the EZLN's demand seeks to artificially prolong the negotiation process in order to organize a national forum on democracy and justice to be held from 28 April to 3 May, together with the Harmony and Peace Commission (Cocopa).

The Secretariat considered as unjustified, unnecessary, and without logic the armed group's intention of extending the recess to almost twice the time foreseen, which is why the EZLN must explain its delay. "The government's delegation reiterates its conviction that the process of dialogue and peace in Chiapas merits the

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highest priority, seriousness, and attention by negotiators. That entails the compliance of both sides to their own accords and resolutions," it added.

The government and the EZLN began a new round of negotiations last Friday to analyze the second phase of table two, called "democracy and justice," which they have been discussing since last March, and which is part of an overall six-point agenda.

After six days of talks, both parties also reached a consensus on the subtopic of justice, social coexistence, and legal order.

According to the Government Secretariat progress was made on the need to design a system of justice that is not based on the criteria of "egalitarianism" and compensates for the handicaps of socially disadvantaged individuals.

Another point of the accord was to promote the creation of citizen groups, which would have oversight responsibilities. These groups would be responsible to the legislative branch at the federal and state levels and the council at the municipal level.

Mexico: Roundup of Economic Developments Through 29 Apr

PA2904230596

[FBIS Report] The following is a compilation of reports on economic developments in Mexico monitored through 29 April.

After a year of financial problems, Mexicana de Aviacion airlines has consolidated, said its General Director Fernando Flores. Sales are estimated to reach 70 million pesos in 1996. The airline is interested in participating in airport privatization. (Mexico City EL FINANCIERO in Spanish 22 Apr 96 p 16)

Approximately 25 percent of restaurants in the country are going through economic problems. The sector registered a 30-percent drop in sales. In 1995, out of 193,000 restaurants, 7,500 closed business. (Mexico City EL FINANCIERO in Spanish 22 Apr 96 p 30)

Imports of powdered milk increased 230.9 percent during the first semester of 1996, registering $85.1 million. The National Institute of Statistics, Geography, and Information Science (INEGI) said that in the period of January-February 1996, the price of milk increased by 92.3 percent in comparison to the same period in 1995. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 22 Apr 96 p 14A)

The Mexican Telephone Co. (Telmex) registered a 16.5-percent decrease in sales during the first trimester 1996 in comparison to the same period in 1995, registering sales for 10.527 billion pesos. Additionally, the announced merger of telephone firms Unicorn and Alestra negatively affected Telmex shares. (Mexico City EL FINANCIERO in Spanish 23 Apr 96 p 30)

The Finance and Public Credit Secretariat (SHCP) announced that in 1996, the country will make $28.698 billion in foreign debt payments, out of which 34 percent has already been paid off during the first quarter of the year. Payments for $18.951.6 billion will be made in April-December period. Efforts to refinance $4.044-billion worth of debts will be made. (Mexico City EL FINANCIERO in Spanish 23 Apr 96 p 7)

The National Agriculture Council has stated that credit for the agriculture sector fell by 34 percent and interests reached 40 percent by the end of 1995. Meanwhile, overdue agriculture accounts increased by 13.326 billion pesos in real terms compared to 1994 (67 percent corresponds to private banking). (Mexico City EL FINANCIERO in Spanish 24 Apr 96 p 32)

Capitalization of the country's productive sectors reported a 4.7-percent drop in 1995, registering 617.162 billion pesos compared to the previous year. (Mexico City EL FINANCIERO (ANALISIS Supplement] in Spanish 24 Apr 96 p A-3)

President Ernesto Zedillo has announced a new credit program for the production of basic grains. A total of 8 billion pesos will be allocated to face eventual scarcity triggered by the drought. (Mexico City XEW Television Network in Spanish 0300 GMT 24 Apr 96)

The National Savings Fund (Pahnal) has stated that it has been consolidated with 480,000 "current" accounts totaling 450 billion pesos. It has 400 branches in urban and rural areas; thus, it has encouraged savings among popular sectors. (Mexico City EL FINANCIERO in Spanish 25 Apr 96 p 7)

Inflation increased by 1.78 percent during first half of April compared to the second half of March. The Bank of Mexico has announced that the prices of staples increased 2.14 percent during the same period. (Mexico City EL FINANCIERO in Spanish 25 Apr 96 p 31)

According to a 25 April, Mexico City-datelined report, the mining industry has reported a growth of 11.5 percent and registered $1.141 million in revenues in 1995. (Mexico City NOTIMEX in Spanish 1857 GMT 25 Apr 96)

A 25 April, Mexico City-datelined report states that 69.7 percent of the construction firms are engaged in construction projects, according to the National Institute of Statistics, Geography, and Information Science (INEGI). The percentages registered during the second,

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third, and fourth trimester of 1995 were 57.3, 59.6, and 62.4 percent respectively. (Mexico City NOTIMEX in Spanish 1608 GMT 25 Apr 96)

For the almost 250,000 mortgage holders who have restructured their debts with investment units (UDI's), the loan balance went up at least 23 percent in the past nine months even though they make their monthly payments on time and after the term to pay their debt was extended an average of 10 years, banking sources have said. (Mexico City LA JORNADA in Spanish 27 Apr 96 p 47)

According to Javier Beristain, finance secretary of the Department of the Federal District, in the past months 48 percent of the jobs lost from January to July of last year have been recovered nationwide and the number of people insured by the IMSS (Mexican Social Security Institute) went up by 82,000. (Mexico City LA JORNADA in Spanish 24 Apr 96 p 45)

The government's spending at the close of the first three months of the year totaled 75 billion pesos, or 96.2 percent of the planned goal of 78 billion pesos, Expenditures Deputy Secretary Santiago Levy has said. He has said that public spending represents 17.2 percent of the gross domestic product, minus one-fifth earmarked for the recovery process. The official has said the federal government wants to find a balanced and adequate spending rate. (Mexico City EL FINANCIERO in Spanish 25 Apr 96 p 40)

During the first quarter of 1996, TELEVISA registered net losses amounting to 396 million pesos compared to 150.9 million pesos during the first quarter of 1995. During this period, its sales dropped by 8.9 percent from 2.244 billion pesos to 2.043 billion pesos because of decreasing consumption and reduced advertising. (Mexico City REFORMA in Spanish 25 Apr 96 p 1 — received via Internet)

According to Carlos Gutierrez Ruiz, president of the National Association of Manufacturers, only 4,000—5 percent—of 80,000 member businesses will be able to pay their workers 10 percent of their profits. (Mexico City LA JORNADA in Spanish 26 Apr 96 p 1 — received via internet)

According to a 26 April, Durango-datelined report, Mexican Petroleum Assistant Director Humberto Lira Mora has announced that Mexico is exporting 42 percent of its daily national production of crude oil. 1.2 million barrels of crude oil are exported daily out of 2.85 million barrels produced daily. (Mexico City NOTIMEX in Spanish 0201 GMT 27 Apr 96)

High interest rates and investment restrictions have forced many construction companies to close down operations. According to the Commerce and Industrial Development Secretariat, between 1994 and 1995 the construction industry reduced its share of the GNP from 5.6 to 4.7 percent while the number of direct jobs in this sector decreased from 467,000 to 275,000. (Mexico City EL FINANCIERO in Spanish 27 Apr 96 p 5)

A 28 April, Mexico City-datelined report states that the Commerce and Industrial Development Secretariat has authorized through a communique the importation of 100,000 tons of beans in order to guarantee the supply for local consumption and to neutralize price pressure. (Mexico City NOTIMEX in Spanish 2032 GMT 28 Apr 96)

Direct foreign investment totaled $441.6 million, according to the Commerce and Industrial Development Secretariat. Of that amount, $393 million is up to March and the remaining $48.6 million for April, states a 28 April, Mexico City-datelined report. (Mexico City NOTIMEX in Spanish 2110 GMT 28 Apr 96)

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El Salvador

El Salvador: Figures on Consignments From U.S. Disclosed

PA2904125296 Panama City ACAN in Spanish 1700 GMT 27 Apr 96

[FBIS Translated Text] San Salvador, 27 Apr (ACAN-EFE) — Official sources disclosed today that monetary consignments made by Salvadoran nationals living in the United States to relatives in El Salvador amounted to $254 million during the first three months of this year.

A communique issued by the Central Reserve Bank of El Salvador (BCR) points out that the amount recorded during the first quarter of this year surpasses transfers made during the same period last year by $11.3 million.

The BCR communique adds that monetary consignments contribute to the growth of the national economy by expanding the country's capacity to import different types of goods, as well as to strengthen and increase net international reserves that "encourage the stability of the country's currency by eliminating speculative pressures on the exchange rate."

The BCR anticipates that the flow of currency "will continue" in the short run "in terms of the increasing trend recorded in previous years."

Monetary consignments are sent regularly to relatives in El Salvador by the more than 1 million Salvadorans, most of whom are living in the United States, who fled the country during the conflict of the 1980's that ended in January 1992.

Local economists affirm that these consignments constitute a fundamental support to the country's economy, which has grown during the past five years at an average rate greater than 5 percent, according to official figures.

During 1995, the BCR recorded nearly $1.061 billion in money transfers to the country, and in 1994 the amount reached $962.5 million.

El Salvador: Peasants Ask Government To Forgive Debts

PA2904134296 San Salvador CO LATINO in Spanish 26 Apr 96 p 3

[Report by Nelson Duenas and Maria T. Perez]

[FBIS Translated Text] This morning, thousands of peasants from the Democratic Peasant Alliance (ADC) gathered at the Cuscatlan Park in San Salvador for a march to the Legislative Palace in order to demand that the government of Armando Calderon Sol forgive 100 percent of the agrarian and bank debts. Oscar Ortiz, FMLN [Farabundo Marti National Liberation Front] deputy, who supported and participated in the debtors' march, said that the objective of this mobilization, which started at 0900, was to submit a bill requesting the forgiving of the entire agrarian debt.

The ADC staged a similar march in October 1995. At that time, it presented a letter to the assembly asking it to forgive the entire debt. Ortiz, who is a member of the Economy and Agriculture Commission, affirmed that he supported the various proposals presented by the ADC, which represents the eastern peasant sector, regarding the agrarian and bank debts.

"The FMLN believes that the two types of debts must be completely forgiven if we want to reactivate the agricultural sector," which, in his opinion, is one of the sectors more adversely affected by the neoliberal policies that the government is promoting. The congressman pointed out that, despite the official offer, which forgives 65 percent of the debts, the Agriculture Commission will examine the other proposals.

In referring to a recently held activity, in which President Calderon Sol announced the proposal to forgive 65 percent of the debts, Ortiz underscored that this proposal is not the right one, because it will force peasants to acquire debts with the banking system, as they have to finance the remaining 35 percent they must pay off. They could be forced to sell their land.

In the opinion of Ortiz, timely credit policies are necessary to ensure the agrarian sector will overcome the crisis it is currently experiencing, because the banks' expensive credit does not let it do so. In addition, he stressed that the political resolve and discussions of all proposals constitute necessary elements for the bill, which the assembly is discussing, to include the adequate elements to resolve the peasants' problems.

Next week, parliamentarians are expected to meet with the three peasant associations that have submitted proposals to forgive the agrarian and bank debts to discuss the proposals. The government's proposal, according to the FMLN deputy, constitutes "a malignant attitude by the government, the objective of which is to put an end to the Salvadoran agricultural sector."

Likewise, in referring to statements made by Security Minister Hugo Barrera, who yesterday warned that if violent actions take place the police would act accordingly, Ortiz affirmed that "these statements are irresponsible, because people have the right to exercise freedom of speech and assembly."

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El Salvador: FMLN Offers Plan for National Development

PA3004030396 San Salvador CO LATINO in Spanish 15 Apr 96 pp 11-14

[Paid ad by Nicaragua's Farabundo Marti National Liberation Front (FMLN); place, date not given: "The FMLN's Plan to Achieve a Productive Economy and Human Development in El Salvador, But for Real!"]

[FBIS Translated Text]

Toward a Dialogue on a Strategy To Achieve Economic and Social Development in El Salvador

The FMLN is one of the country's main driving forces for democratic change; therefore, the FMLN is obligated to present a plan for national economic and social development to be discussed and implemented thanks to everybody's effort and for the benefit of all as well.

Given this duty and these objectives, the FMLN presents its proposal to the various national sectors. This proposal is based on an economic, social, and political assessment of current conditions in El Salvador using as a framework the examination of main characteristics and trends worldwide, along with a possible outlook of what the country should become if we seek our people's welfare, freedom, and prosperity.

Criteria and Outline of the FMLN's Proposal

The criteria and outline of our proposed project for this nation are the following:

1. A comprehensive concept of national development wherein sovereignty and national assets are not separated from social progress, economic growth and development, and a profound democratization.

This development should be efficient so we may overcome poverty and the extremely unequal conditions and neglect of women; ensure environmental suitability; substantially improve the people's quality of life; make the economy more competitive; fully implement the democratic reforms as agreed in Chapultepec; and advance toward an elective system of representation with more honesty, credibility, and pluralism, the decentralization of the state's power and resources, and a participatory democracy at all levels and for all sectors in this nation.

This concept has human development as its main objective.

2. The recognition of and respect for private property ownership as a social function as well as collective and cooperative forms of property ownership existing in this country. State property should be used for the common good and national development.

3. The promotion of economic freedom with regulations to promote efficiency, development, and soci[illegible]quality.

4. To construct an authentic and modern state of law based on respect for human rights within a reliable and efficient electoral system, with legal equality and with a prompt and well accomplished administration of justice so as to provide legal security for this nation.

5. To maintain macroeconomic stability as a framework to create confidence in and fair treatment of all economic sectors, to guarantee the value of people's income, and to promote national and foreign investment.

6. The main pivot for economic growth and development should constitute the recovery, modernization, and expansion of the agricultural, industrial, craftsmanship, and mining sectors. This should come along with the development of basic utilities (electricity, telecommunications, potable water, and sewage) and a network of highways, roads, ports, and airports to subsequently promote increased activities and growth in the financial, commercial, home construction, tourism, and other sectors.

7. Among its main objectives, the national development project will help the self-employed sector overcome technological backwardness and financial abandon and will fully incorporate into the country's productive activity all those economic and social groups that have been partially or fully excluded.

8. To achieve economic growth, the state must promote labor productivity, technological dynamics, aggregate demand, and increase the supply of capital.

We want a state that can establish an overall development project, promote a concerted, economic, and social effort among all sectors of the country, be capable of promoting and ensuring an integral development for the well-being of the people, and, based on these premises, deploy its negotiation capability in the international field in the defense of national interests.

The state must promote the country's productivity and competitiveness, ensuring a healthy economic competition, making the necessary investments in the economic and social infrastructure, promoting science and technology programs, improving the efficiency of public services, and guaranteeing a legal framework that can promote the investment of domestic and foreign capital.

9. National development must be based on the qualitative and quantitative growth of education and culture as well as scientific and technological research that can

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allow citizens to adapt to changes brought about by the scientific-technical revolution so we can be better equipped to make progress in this field at the average world pace.

The access of the entire population to a modern education is an indispensable condition for social and economic progress, democracy, and the improvement of our well-being, quality of life, and harmony with nature.

10. Joining globalization efforts can only be advantageous if it is based on national development. Our development and insertion into a globalization effort depend on a Central American integration, which is the challenge and objective common to the peoples of the region. Economic opening to the world must be a gradual and joint process with Central America and must be combined with selective protectionist measures, trade agreements with other blocs, and with Latin American and Caribbean countries.

11. El Salvador must strengthen and make more creative its participation in international forums and organizations dealing with economic, trade, financial, political, and cultural aspects, especially in the specialized organizations of the UN system, the OAS, and the SICA [Central American Integration System].

The Viability of the National Project Proposed by the FMLN

The viability of the national plan can be facilitated with the implementation of certain conditions.

1. That the project be the result of a concerted effort involving organized sectors of the people, NGO's [nongovernmental organizations], groups of businessmen of all sizes, universities and other research and manufacturing centers, important political parties, and that they form an active bloc to oversee things and exert pressure.

2. That a regional alliance of governments and similar social and political forces be reached and that allies be sought in Latin America, the rest of the Third World, and in developed nations, including the support of some governments.

3. That an intelligent strategy in relations with international financial centers be applied based on quick and imaginative initiatives that will allow us to take advantage of their current position of development with fairness.

4. That an active policy to attract selected foreign capital investments be applied.

Central American Integration, NAFTA, and Other International Blocs

1. Central American integration cannot be separated from our national development plan.

The construction of a regional space is a necessary means to ensure the development of each of its countries and a way to formulate a set of regional productive networks, namely different elements of integrated production and service systems that permit us to better use the alternatives to enter the international market.

Central American integration must transcend opening to foreign investments and facilitate the movement of merchandise and capital in the region. It must effectively contribute to the overcoming of the serious social backwardness of countries and to give environmental support to regional development.

Without social development and environmental conservation, integration would generate a fragile, economic growth, making small minorities richer and large majorities poorer.

The construction of a regional economic zone is a necessary means to ensure the development of each of the countries and a better use of the possibilities to enter into the international market, for the benefit of all.

Aside from the presidential summits and other integration initiatives that must be strengthened, the various organized social sectors from the countries must actively promote the process as well.

The FMLN strongly endorses the Central American integration process, which is viewed as an alliance to fully develop our countries that have varying levels of development and are distinct. The FMLN supports that the region acts as one body in the eyes of the world.

2. Position on NAFTA and Other International Blocs

The effects of NAFTA on Central America are several and complex. It is a phenomenon that has modified the conditions for the economy of Central American countries. It increases the risk of experiencing imbalance and disadvantages as developing nations and societies, as has occurred in the case of Costa Rica.

The FMLN believes our country and Central America must seek economic relations with the world, with all regional blocs and countries, as we deem appropriate. We must take advantage of our comparative and competitive advantages to advance our economic, social, and political development project, without being tied to or unilaterally connected to one bloc. With such diversified and plural relationship, our small countries will be in a better position to become gradually involved in the

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globalization process and advance toward its completion, which is still remote.

Central America must negotiate the type of economic relations it wishes to establish with the North American bloc, Mercosur [Common Market of the South], the Andean Group, and the Caribbean. At the same time, it must work to open commercial and tourism activities, flows of investment, as well as to reach accords with the objective of achieving a fuller regional integration.

The incorporation into the international economy, Central American economic integration, and improved economic relations with Latin America and the Caribbean require the modernization, strengthening, and development of the internal factors that will permit us to increase the overall competitiveness of the national economy; this includes investing in science and technology, human resources, economic infrastructure, and state and institutional modernization, in general.

Socioeconomic and Environmental Policies for the Sustainable Development of the Country

Sustainable development requires a strong, productive infrastructure and macroeconomic setting. It requires an economic structure that is able to respond adequately to both the dynamic and growing domestic needs and the challenges the international market poses.

Hence, it is important to reformulate and to implement policies that tend to modify the structures of the economy as well as to bring immediate stability to the large, macroeconomic aggregates. The sustainability of development requires that these policies result in a betterment in the standard of living of present and future generations.

1. Development of Production Foundations and Massive Creation of Jobs

A sustained development plan must contain a number of reforms to our country's current economic structure, reforms which will effectively contribute to the creation of wealth and well-being. Following are certain policies that must be taken into account to achieve this goal:

A program to strengthen sectors, one of the main targets of which is agro-industrial development. It must comprise reactivation and reconversion policies for both the agricultural and industrial sectors.

A profound reform of the financial system: A change in production structure will not occur without a profound reform of the financial system geared toward making the financial market more flexible and open and eliminating its monopolies and oligopolies, as well as its emphasis on short-term traits.

Change and strengthening of domestic market conditions and an effective access to foreign markets. To do this, we need policies aimed at fighting poverty head-on, harnessing the amassing of wealth, increasing most people's purchasing power, and using fiscal policies as a true instrument of wealth allocation and distribution.

As far as international markets are concerned, it is important to have consistent policies to promote exports.

Adequate access to the globalization process: Gear our production structures' change and strengthening strategies toward an adequate access to the globalization process.

Scientific and technological development, as well as the promotion of truly free competition and an effective protection of consumers.

2. State Modernization and Democratization

To make viable the socioeconomic changes the country needs, **the state's participation as a factor of development** is essential. The serious and complex development problems our country is experiencing and the corresponding efforts to resolve them **demand that the state play an active leading and orientation role**.

We have to **assess and to strengthen the state to make it** more efficient and more capable of leading the economic dynamics. In order to do this, we must engage in an **administrative state reform** that must be in terms of the entire nation's development and wellbeing.

As for privatizations, we believe the state's resources or strategic activities must not be privatized: This implies at least energy generation and distribution, telecommunications, water supply and distribution, and health and educational services. **We do support, however, private development and participation in these sectors, while the state keeps its current participation.**

Municipal decentralization and strengthening constitute a basic component for the state to effectively contribute to changing socioeconomic structures.

3. Social Development Policies

Economic growth and the strengthening of our production capacity must be translated into social development; in other words, they must be translated into a better standard of living for all Salvadorans. To do this, we must promote policies guaranteeing better access to basic services (water, electricity, transportation, and others) to the people.

Following are examples of strategic social development: Reforms to private and public health systems, pension

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systems, and educational systems of all levels. All policies must promote development, equal opportunities, and women's participation.

Social development implies a fight against unemployment, job shortages and instability, the deterioration of labor conditions, and injustice and arbitrariness in labor and family relations, protection of and respect for the rights of children and the elderly, and strategies preventing common crime.

4. Promotion of Women as an Active Socioeconomic Factor

To achieve a sustained and equitable development, it is strategic and urgent to give opportunities for the overall participation of women by promoting widespread and universal policies aimed at overcoming inequality. These policies must comprise rural and urban women, juvenile and teenage girls, and adult and elderly women from various socioeconomic sectors.

5. Environmental Recovery and Preservation

Environmental security constitutes a fundamental aspect of a development strategy that claims to be sustainable, meaning, among other things, securing the balance of ecosystems and properly using their dynamics with a view to improving the standard of living of present and future generations.

It is necessary for social development strategies to include environmental security for citizens and natural resources. The most urgent policies must be focused on the protection and conservation of the balance of ecosystems, particularly water resources and the reversion of pollution in general.

We must make water resources and their management and the alarming and growing pollution a national health and environmental protection priority.

The state must regulate the economic activities of production, distribution, and consumption of goods and services by making them compatible with the use, protection, and conservation of our natural resources and the environment in general.

6. Stability of the Macroeconomic Ambiance

Macroeconomic stability is essential to trigger a sustained economic growth with fairness and social justice.

As a consequence, the economic stabilization policies must be compatible with the national objective of progressively reducing poverty, reactivating domestic productive foundations, which is being weakened by neoliberal macroeconomic policies, developing domestic markets, and inserting the country into the international economy for our development's sake.

Macroeconomic policies must be equally compatible with the implementation of socioeconomic policies by sectors, policies which will create massive jobs, reallocate domestic revenues, and retain the workers' purchasing power.

Long-term macroeconomic stability must be based upon the strengthening of the domestic production capability.

A lasting stability and development will be possible if it is based upon a vigorous and integrated production structure. This is why El Salvador must make efforts to strengthen the domestic production foundations of goods and services with competitiveness in order to have access to foreign markets and effectively replace imports.

To achieve these objectives, the development of a scientific and technological program is necessary. The state is bound to support and promote this program as well as to involve businessmen and workers in its drafting and implementation and seek international cooperation to do this on behalf of the country.

The financial system must be changed and democratized and must be put to the service of a lasting economic stability and the nation's interests.

Nicaragua

Nicaragua: Thank-You Note Sent to Russian President

PA2904173096 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 23 Apr 96

[Report by Migdiana Jerez; from the "National Newscast"]

[FBIS Translated Text] [Jerez] President Violeta Chamorro sent a letter to Russian President Boris Yeltsin to thank him for writing off Nicaragua's debt with Russia. Foreign Minister Ernesto Leal delivered the letter to Russian Ambassador to Nicaragua Andrei Dimitriev.

[Begin Leal recording, in progress] ...for giving Nicaragua the most favorable terms.... [end recording]

[Jerez] In her letter, President Chamorro thanked the Russian Government for its noble gesture.

[Begin Leal recording] I thank you with all my heart. Your noble gesture will enable us to continue our efforts to build democracy and promote the economic development my dear country needs so badly. [end recording]

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[Jerez] The ambassador said that the most important aspect here is the ties of friendship and affection between the two countries.

[Begin Russian Ambassador to Nicaragua Andrei Dimitriev recording] Having solved this problem, which was undoubtedly a complicated and difficult problem for you to resolve, we have thus cleared the way for an even more dynamic and ample cooperation between our two countries in various areas, including the commercial area. Thus, we are also very pleased and thankful for this great show of appreciation to President Yeltsin by President Chamorro. [end recording]

[Jerez] As a result of the talks by the two countries, Nicaragua obtained the write-off of 98 percent of the debt inherited from the previous government and 100 percent of the debt acquired up to 1988, which represents a reduction of $3.3 billion, that is, one third of Nicaragua's foreign debt. According to the Russian ambassador, this negotiation is unprecedented in Russia's history.

[Begin Dimitriev recording] These are mainly debts owed for petroleum and supplies. There is a slight misunderstanding here. At times, we have heard some remarks that this debt was owed for weapons. This argument is either the result of misinformation or — and I hope this is not the case — of a negative campaign. Officially, I want to explain that this debt we have just written off is a debt for petroleum, supplies, means of transportation, and foodstuffs. All the military equipment and the weapons given to Nicaragua were donations. [end recording]

[Jerez] In addition, Russia granted 30 scholarships to higher education students.

Panama

Panama: Envoy to U.S. Sworn In as Acting Foreign Minister

PA3004045696 Panama City Circuito RPC Television in Spanish 2300 GMT 29 Apr 96

[From the "RPC Television News" newscast]

[FBIS Translated Text] Panamanian Ambassador to the United States Ricardo Alberto Arias was sworn in as acting foreign minister this morning, holding his first meeting with Foreign Ministry directors and advisers minutes later. General topics were discussed during the meeting. The meeting also included the participation of new Deputy Foreign Minister Ivette Franco.

Arias will hold the post of acting foreign minister due to the convalescence of Foreign Minister Gabriel Lewis Galindo, who is afflicted with pulmonary problems and receiving medical attention in Florida, the United States.

Panama: APEDE Complains Government Not Changing Itself

PA2904140596 Panama City Telemetro Television Network in Spanish 1730 GMT 26 Apr 96

[Interview with Ricardo Ortega, president of Panamanian Association of Business Executives, APEDE, by Atenogenes Rodriguez at the Caesar Park Hotel in Panama City; from the "Telemetro Reports" newscast — live]

[FBIS Translated Text] [Rodriguez] Ricardo Ortega, APEDE [Panamanian Association of Business Executives] president is here with us. Last night during the opening of CADE [Annual Conference of Business Executives] 96, most media were aware of the feelings of APEDE and CADE about reducing the state payroll. Will you clarify this a little bit for us, please?

[Ortega] What we in APEDE told the government is that we agree with the modernization of our completely worn out economic system. Changes must be made; Panama must modernize itself. However, we pointed to certain aspects. The private sector has felt the changes with the reduction in customs tariffs, which we agree should be done slowly and gradually. However, we have not seen similar changes in the government, changes that were mentioned as part of the public policies in the conceptual document that the government presented in September 1994. We have not, for instance, seen a reduction in the state payroll...

[Rodriguez, interrupting] Minister Guillermo Chapman today told us that they are thinking about doing this, but not overnight.

[Ortega] That is right. However, the private sector has been asked to make sacrifices, but it was not, as he said, overnight; the reduction in customs tariffs took place overnight. We have been definitely negotiating with the WTO to agree on another type of customs tariffs reduction, which will take place gradually. As Minister Chapman pointed out today, we have seen that electricity bills cannot be reduced immediately. We formally ask Chapman, as we did informally with the new director of the Institute of Hydraulic Resources and Electrification, to reduce or apply the same industrial rates to the tourism sector. I believe that this can take place soon. We want these gradual changes, about which the government is talking, to start being made, and we want the tourism sector to start seeing these changes. As Gloria Arenas, CADE president for the second consecutive year, said, what we are trying to do in this CADE, which is a meeting at the national level, is to teach social concepts as APEDE's contribution to the entire country so that all people

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will learn why these changes are occurring. We are getting telephone calls even from Chiriqui, Colon, and the central provinces, with which we have a direct communication thanks to our initiative with the Intel [National Telecommunications Institute]; it installed direct lines for us, so that the entire country will be able to ask questions and get answers.

[Rodriguez] Thank you, Mr. Ortega, for this interview. CADE 96 continues here at the Caesar Park Hotel.

Panama: CADE 96 Opens; Minister Views Economic Future

PA2904142896 Panama City Telemetro Television Network in Spanish 1730 GMT 26 Apr 96

[From the "Telemetro Reports" newscast; passages within quotation marks recorded]

[FBIS Translated Text] [Anchorwoman Mariana Fabrega] The Annual Conference of Business Executives, CADE 96, is being held at the Caesar Park Hotel. Businesses and the economy, in light of the country's modernization, is one of the issues being discussed at this meeting. Reporter Atenogenes Rodriguez has details of what is going on at this 30th annual conference of business executives.

[Rodriguez] Thank you, Mariana. We are here at the Caesar Park Hotel, where CADE 96 has been held since 25 April. Several issues were discussed this morning, including businessmen's challenges in the 21st century and Panama in the new world economic order. Panels are currently examining the issue of Panama's economic prospects in the short- and mid-run.

This morning, we were present when Guillermo Chapman, planning and economic policies minister, delivered his speech entitled: Panama in the New World Economic Order. Chapman presented Panama as one of the countries with better fiscal performance. Let us listen to excerpts of Minister Chapman's speech:

Chapman justified the economic changes that the government is making by saying that they are based upon its interest on being part of world trade globalization. Even though he admitted that certain measures are rather unpopular, he said that he was pleased with the progress made thus far. According to him, several phenomena are occurring in our country, including the lack of significant foreign investments; the increase in unemployment; the high levels of poverty and abject poverty, which are among the highest in the continent, and the GDP slowdown.

[Chapman] "In light of this, one of the most significant objectives of the national government is to reach higher levels of sustained development through an economic program devised to make our economy fairer, more efficient, and more competitive."

[Rodriguez] Chapman went on to explain that the economic reforms that the country has undergone are trying to guarantee an active participation of private capital in the betterment and broadening of both public and international infrastructure services. He reported that the GDP has dropped.

[Chapman, in progress] "...0.04 percent of the GDP, which is a variable that places us among the countries with better fiscal performance. In short, the objective of the government's national economic policies is to achieve a high and sustained growth in production, reduce unemployment, reduce the cost of living, which translate into higher per capita income, poverty reduction, and a better distribution of income." [applause]

[Rodriguez] In his speech, the planning minister summarized the agreements that have again made Panama worth of credit and the new government regulations ranging from the creation of fiscal incentives to the reduction of state intervention in labor relations and from the adoption of a new contracting system to even the severe punishments on antitrust practices.

[Chapman] "The economic policies that the government has been implementing is doing nothing but recognizing the reality of today's world and paving a viable social, political, and economic path to make Panama be a valuable protagonist of the new world economic order."

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Argentina

Argentina: IBM Case Explained to House Finance Committee

PY2704013596 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1123 GMT 26 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 26 Apr (NA) — As a curt response to the main opposition party's accusations of the government's alleged "collusion" with a leading soft drink company, Economy Minister Domingo Cavallo hinted at the possibility that the UCR [Radical Civic Union] was somewaht involved "in the informatics mafia."

Within the framework of his report to the Chamber of Deputies Finance Committee yesterday, Cavallo emphasized that "the investigation into the informatics mafia (in reference to the IBM-National Bank case) should also encompass the 1980's," thus hinting at the UCR administration's alleged involvement in IBM's suspicious activities. [passage omitted]

The minister rebuffed UCR Deputy Jesus Rodriguez — "I am not telling any lies," Cavallo emphasized — and urged that IBM activities "since the 1980's" be investigated. Cavallo compared the economic situation that prevailed in our country during the UCR administration "with Nazi Germany of the 1950's [as received] or Japan under Emperor Hirohito." [passage omitted]

Argentina: UK Accord on Fishing Talks Seen as 'Salvation'

PY2604115196 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2106 GMT 19 Apr 96

[Article by Jose Maria Monzon]

[FBIS Translated Excerpt] Buenos Aires, 19 Apr (NA) — The British agreement to start negotiating the controversial issue of fishing around South Georgia had the effect of a breath of fresh air for Foreign Minister Guido Di Tella, following the harsh criticism that his strategy to negotiate the Malvinas question has received lately.

The salvation took the form of a brief written agreement signed last week before Iguazu Falls, an accord that is the basis for a UK commitment to negotiate their differences with regard to fishing in South Georgia waters within the framework of the Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR).

The discussion of the problem within the framework of CCAMLR was considered a small victory by Foreign Ministry representatives, since the spirit of this convention was the basis of the international complaint used by the government when Great Britain attempted to charge two Argentine fishing vessels a fee for fishing in South Georgia waters.

From the very beginning, the Foreign Ministry maintained that the region was under CCAMLR jurisdiction, characterizing as inadmissible the British pretension to charge a fee in the area. The region is within the jurisdiction of an international agreement expressly forbidding the charging of fishing fees.

The Iguazu meeting also served as an opportunity for Malcolm Rifkind, British secretary of state for foreign and commonwealth affair, to make clear his government's will to negotiate a general fishing agreement covering the entire Malvinas area, an objective eagerly sought by the local administration to open the doors for the postponed trip of President Carlos Menem to London.

The optimism of Argentine officials regarding the alleged British dispositions to seek an approach with Buenos Aires was not only based on the signing of the Iguazu agreement; it was also complemented by the elimination of obstacles for the import of Argentine meat by the United Kingdom. [passage omitted]

Argentina: Minister Returns From OAS Conference in Lima

PY2804233396 Buenos Aires TELAM in Spanish 2059 GMT 27 Apr 96

[FBIS Translated Text] Buenos Aires, 27 Apr (TELAM) — Interior Minister Carlos Corach arrived shortly after 1730 [2030 GMT] today from Lima, Peru, where he participated in an OAS-sponsored Specialized Inter-American Conference on Terrorism.

Corach, Interior Ministry Secretary General Vicente Brusca, and Migrations Director Hugo Franco, among other government officials, arrived aboard the "Tango 03" presidential plane in the military area of the Jorge Newbery Metropolitan Airport.

Argentina: Minister Interviewed on Ecuadoran Arms Case

PY2904014096 Buenos Aires CLARIN in Spanish 26 Apr 96 p 14

["Summary" of an interview with Argentine Foreign Minister Guido Di Tella in Anillaco, La Rioja Province, on 24 April]

[FBIS Translated Text] [CLARIN] Have you been able to gauge how much the scandal caused by the Argentine arms sales to Ecuador affected Argentina's image abroad?

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[Di Tella] Following the suspicions and subsequent evidence of the existence of illegal arms sales to Ecuador, without any doubt the Argentine image has not been benefitted by this incident. Nevertheless, the people understand that the government has been deceived. Nevertheless, the government was unable to prevent the deception, and this has been and still is a serious issue. The government has expressed its willingness to investigate. The president's decision of privatizing and liquidating the Military Industries is also aimed at never again being involved in arms sales.

[CLARIN] Is it easy to explain to other countries that the Argentine Government has been deceived?

[Di Tella] Well now, these things happen. What are the responsibilities? They will be known after the investigation ends. Nevertheless, it is clear that there have been gross deceptions here: A shipment is made to Venezuela and ends up in Ecuador. Now we have this discussion on the delivery of arms in bad condition to Ecuador, and we do not even know if this is true.

[CLARIN] Do you believe it is correct for the defense minister to conduct the investigation, considering that he is under investigation?

[Di Tella] Well now, he has all the mechanisms and conduits for conducting the investigation, and I believe this is what he is doing.

Argentina: YPF Denies Role With British Gas for Oil Bid

PY2604114896 Buenos Aires TELAM in Spanish 2125 GMT 19 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 19 Apr (TELAM) — It was officially reported today that the YPF [Government Oil Deposits], Inc. company would participate without any partners in a tender called by the government to explore for oil in two off shore [preceding two words in English] areas near the Malvinas Islands.

YPF, Inc. President Nells Leon told TELAM: "It is a mistake to involve the British Gas company in the award of oil [concession] areas [already] awarded to YPF within the framework of the Argentina Program."

Leon thus denied remarks allegedly made by him in a report published by a morning newspaper, which he described as an "involuntary misunderstanding."

During the last round of Argentina Program oil exploration bids on 29 March, YPF was awarded two areas. YPF participated in this bid, without any partners. [passage omitted]

The government's goal of bidding the Argentina Program blocks, which undisputably are under Argentine jurisdiction, was to move ahead of the kelpers' bid, for which YPF has actually signed a preliminary agreement with the British Gas company.

Leon noted: "In the interview I granted to the newspaper, I referred to the agreement with the British Gas company for future bids near the Malvinas Islands, and not to the Argentina Program." [passage omitted]

Argentina: Presence of Hizballah Suicide Commandos Denied

PY2604145096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2130 GMT 25 Apr 96

[FBIS Translated Text] Buenos Aires, 25 Apr (NA) — Misiones Police Chief Superintendent Jose Arenhardt denied today that 20 suicide commandos of the pro-Iranian group Hizballah — who could perpetrate terrorist attacks in Argentina — have been detected in the Paraguayan City of Ciudad del Este.

Arenhardt said the information is "absolutely erroneous," adding that Misiones Province's intelligence and security forces "have no information whatsoever about that."

The Misiones Police chief thus denied press reports that he had spotted the presence of suicide commandos awaiting orders to perpetrate attacks on Israeli targets within the region.

Ruben Beraja, head of the Delegation of Argentine-Israeli Associations (DAIA), believes the situation in Ciudad del Este — in the tri-border area between Argentina, Brazil, and Paraguay — is "serious."

Beraja said this information "should be taken very seriously despite the fact it has not been proven," and noted that the DAIA will "investigate in Buenos Aires using intelligence" services.

Arenhardt said a large Arab community lives in Ciudad del Este, but denied that there is conclusive proof that this city is a support center for Islamic terrorism, arms trafficking, or illegal drug peddling.

This notwithstanding, Arenhardt said the Misiones Police handle domestic "rather than international information," adding that it is not incumbent upon the Misiones security forces to investigate movements in Paraguayan cities because that is "outside their jurisdiction."

The police chief explained: "We are merely repeating the information supplied by Argentine security forces and taking precautions for our province's internal order."

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Arenhardt avoided discussing alleged "dangerous neighborhoods" of Ciudad del Este that allegedly cannot be entered by the police, and emphasized that these are internal problems involving the Paraguayan security forces.

Nevertheless, Arenhardt acknowledged the contraband between Paraguay and Argentina. However, he explained: "The National Border Police, the Customs, the Federal Police, and the Provincial Police are operating with much dedication and are permanently fighting this scourge."

Beraja indicated: "This issue confirms the serious situation prevailing in Ciudad del Este." He acknowledged that DAIA received a "warning" from Brazil "to remain alert as there is the threat of possible attacks."

Before learning of the police chief's denial of the article published today in the Buenos Aires morning newspaper, Beraja noted: "It may be logically interpreted that this is an authoritative person. Therefore, he has information. This information probably somewhat confidential and he does not want to confirm it hastily."

Bolivia

Bolivia: Minister Criticizes U.S. Drug Enforcement Policy

PY3004010696 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 29 Apr 96

[FBIS Translated Text] It seems that there are differences between the drug policy of the EU and that of the United States. Foreign Minister Antonio Aranibar has declared that the U.S. counternarcotics policy is not the most appropriate one because it conditions other countries' actions and it is lopsided, since it places too much emphasis on the eradication of coca plantations while disregarding the need to curb drug use. The foreign minister added that this one-sidedness jars with the spirit of the Miami Summit, in which U.S. President Bill Clinton himself spoke in favor of an exchange of ideas. Aranibar pointed out that at the summit of heads of state and government of the Americas, held in December 1994, it was established that importance should be accorded to the genuine instrument of listening to each others' opinions and, therefore, impositions are unwarranted. The foreign minister underscored that the U.S. antidrug policy is not the most appropriate one on account of its unilateral characteristics and because it is marked by the issue of certification or decertification.

Concerning drug enforcement in Bolivia, the U.S. aid allocated for this endeavor has been reduced over the last few years. Moreover, the United States has not yet disbursed $15 million to support Bolivia's balance of payments position. Aranibar pointed out that despite these problems, Bolivia furthers its own drug enforcement policy, particularly in what pertains to coca eradication. The foreign minister stated: We have managed to find a way of reducing the acreage devoted to coca plantations without resorting to the use of force. We continue with the eradication program on a voluntary basis through dialogue and indemnifications granted to coca growers.

According to the head of the Foreign Ministry, the U.S. unilateral policy led to unfair positions against countries like ours, from which much is demanded, whereas the U.S. ignores the shared responsibility principle.

Brazil

Brazil: Cardoso Names Senator as Agriculture Minister

PY2904143496 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 Apr 96

[FBIS Translated Text] President Fernando Henrique Cardoso will today appoint Senator Arlindo Porto Neto, PTB [Brazilian Labor Party]-Minas Gerais, as agriculture minister. Porto will be sworn in next week.

President Cardoso yesterday met with Sen. Porto met at Alvorada Palace. At the meeting were Labor Minister Paulo Paiva and Deputy Germano Rigotto, government leader in Congress and a member of the PMDB [Brazilian Democratic Movement Party]-Rio Grande do Sul.

Porto stated that he would not make radical changes in the Agriculture Ministry. He said he would study the government program before deciding what actions to take. He announced that priority will be assigned to those cooperatives that seek to support their members. He said that even though the Agrarian Reform Ministry has been formed, much remains to be done in the Agriculture Ministry.

[Begin Porto recording] The Agrarian Reform Ministry will play a social role. It seeks to promote settlements and to monitor their development. The Agriculture Ministry performs a political function. An agricultural policy that grants benefits will promote production. This is why the Agriculture Ministry's role is important. I do not understand how [words indistinct] [end recording]

Porto said he will not make any immediate decision about the problems the Conab [National Supply Company] is facing regarding storage of the government's cereal grain stockpiles. Before taking any action, he said he will study the case carefully.

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Brazil: Cabinet Reshuffle Provokes 'Crisis' Within PSDB

PY2604114796 Sao Paulo AGENCIA ESTADO in Portuguese 2307 GMT 25 Apr 96

[Report by Christiane Samarco and Claudia Carneiro]

[FBIS Translated Text] Brasilia, 25 Apr (AE) — The cabinet reshuffle conducted by President Fernando Henrique Cardoso has provoked a crisis within the PSDB [Brazilian Social Democracy Party], dissatisfaction within the PFL [Liberal Front Party], and failed to ensure a united PMDB [Brazilian Democratic Movement Party] support for the administration. Senator Beni Veras (PSDB-CE) [Ceara] said: "The PSDB, which was railroaded into this process, is the biggest loser." Venting his disappointment, Deputy Ubiratan Aguiar (PSDB-CE) said: "The administration has put the PMDB and the PFL in charge of political coordination, and has left the PSDB out."

Offended for not having been consulted or informed about the appointment of PMDB deputy Luiz Carlos Santos (SP) [Sao Paulo] — who is the government leader in Congress — as the new special minister for political coordination, PSDB leaders in the Chamber of Deputies and the Senate took two actions to show their displeasure: they declined an invitation to lunch with Communications Minister Sergio Motta, who masterminded the appointment with President Cardoso; and failed to report to Congress.

Senate PSDB leader Sergio Machado (PSDB-CE) preferred to lunch with his wife Sueli than with Motta, while Deputy Jose Anibal (PSDB- SP) claimed that he was busy preparing his tax statement. In remarks to a group of deputies who conveyed to him their support over breakfast, Jose Anibal said: "I will only speak with the president."

Criticizing the appointment, Deputy Jayme Santana (PSDB-MA) [Maranhao] said: "If the objective was to give a cabinet post to the PPB [Brazilian Progressive Party] to secure PPB votes in Congress, there was no need to distribute posts here and there." Informed by Senator Carlos Wilson (PSDB-PE) [Pernambuco] about the adverse reactions provoked by the reshuffle, President Cardoso will meet tonight with Jose Anibal.

The cabinet appointments took the PFL leaders in the Chamber and Senate by surprise. Even Senator Elcio Alvares (PFL-ES) [Espirito Santo], the government leader in the Senate, was embarrassed by the appointments being leaked to the press on the afternoon of 24 April. Only PFL President Jorge Bornhausen, who has always been against the appointment of a political coordinator, was informed. Yet, Bornhausen was not informed on orders of President Cardoso, but rather of Deputy Luis Eduardo Magalhaes (PFL-BA) [Bahia], president of the Chamber of Deputies, who was involved every step of the way in the negotiations that preceded the cabinet appointments.

Senator Vilson Kleinubing (PFL-SC) [Santa Catarina], the government's deputy leader in the Chamber of Deputies, tonight said: "If the PMDB won another cabinet post, a PFL deputy should be appointed as government leader." This reflects the "compensation" claim upheld by the PFL bloc. Deputy Heraclito Fortes (PFL-PI) [Piaui], who is confident that Benito Gama (PFL-BA) will be appointed government leader, said: "The leadership position is already ours."

PMDB members reacted with distrust to Luiz Carlos Santos' appointment as political coordinator. Senator Ronaldo Cunha Lima (PMDB-PB) [Paraiba] today said: "I wonder if Santos has the means to conduct any political coordination outside the office of the president's civilian household chief." Senator Ney Suassuna (PMDB- PB) warned: "The PMDB is happy about its new cabinet post, but the administration should not expect the PMDB to rubber stamp all its actions." He added: "Planalto will never obtain unanimous PMDB support on matters requiring lawmakers to their consciences."

Senate President Jose Sarney (PMDB-AP) [Amapa] calmed PMDB President Paes de Andrade (CE), who was mad because he did not receive a call from Planalto Palace. Despite these efforts, Paes will show only a limited goodwill. He said: "My cooperation will be limited to not coordinating or urging actions against Luiz Carlos Santos."

Brazil: Curriculum of New Ministers Viewed

PY2604115896 Rio de Janeiro O GLOBO in Portuguese 25 Apr 96 p 3

["Curriculum" of newly appointed agrarian reform and political coordination ministers]

[FBIS Translated Text]

Agrarian Reform

Raul Belens Jungman

Born in Pernambuco, 44 years old, and a member on leave from the PPS [Popular Socialist Party], Jungman held the post of Planning Ministry executive secretary during the Itamar Franco administration in 1993 and again when Alexis Stepanenko was minister. From that post he came close to then Finance Minister Fernando Henrique Cardoso whom he already knew together with

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Mrs. Ruth Cardoso from the times when he conducted a non-government organization that debated development affairs in northeastern Brazil.

Jungman is a psychology graduate but never worked in his profession. He was planning secretary of Pernambuco State in 1990 as a leftist representative of a coalition. He was also regional affairs adviser to the Senate Regional Committee, which was then presided by Senator Beni Veras (PSDB-CE) [Brazilian Social Democracy Party-Ceara], and he designed a sustained development proposal for northeastern Brazil.

During the Cardoso administration Environment Minister Gustavo Krause invited him to preside the Ibama [Brazilian Institute for the Environment]. At the suggestion of Communications Minister Sergio Motta, he was asked to replace Francisco Graziano when he left INCRA [National Land Reform and Settlement Institute].

The new agrarian reform minister was chosen for being from the left and freely accepted in the right, and for having the unanimous support of the Planalto Palace group, especially Civilian Household Chief Clovis Carvalho and Presidential Secretary Eduardo Jorge Caldas.

Political Coordinator

Luiz Carlos Santos

Federal deputy for Sao Paulo, the future chief of the new special ministry of political coordination is the most silent politician in the government base. Born in Minas Gerais, he adopts the methods of the Minas Gerais governing style: he works in silence. A politician from behind the scenes, pragmatic, he helped President Cardoso in the most complicated coordination to approve the constitutional reforms and he is one of Planalto Palace's barometers in Congress. Without bragging, he has been insisting on a cabinet reform to give representation to the parties that support the administration.

A government leader during the Itamar Franco administration, which he held during his first term as federal deputy, Santos simultaneously is also a faithful friend of Cardoso, Itamar Franco, and former President Jose Sarney. He has warned the president several times in the past few months of Sarney's dissatisfaction with the administration and the problems that this situation could yield. Santos has another essential quality for Cardoso: He is an enemy of Orestes Quercia and is with the PMDB [Brazilian Democratic Movement Party] followers who always guaranteed support for the administration, against the will of the current PMDB President Deputy Paes de Andrade.

Brazil: Signs of Disunity Among Government Members Seen

PY2604115696 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Apr 96 p A3

[Editorial from the "Notes and Information" page: "Signs of Crumbling"]

[FBIS Translated Text] There is an image that represents very well the stage in which institutions begin to give signs of becoming weak: That of a candle that burns until it goes out. President Fernando Henrique Cardoso must strengthen himself in order to avoid this image from being used to represent his administration. We are not referrring to incidents that are the responsiblility of state administrations, although reflecting directly on the federal administration: We want to refer to the behavior of other members of his administration, or to some of his subordinates, who act as if they did not belong to a working team and sow discord wherever they go or whenever they speak.

The head of the administration, willing to bring prestige upon [former President] Itamar Franco, appointed him ambassador to Lisbon, where His Excelency went with the applause of the entire Senate, which sanctioned the appointment. Later on, the breeze coming from the Tagus River, or perhaps nostalgia about Minas Gerais State ("those who know you, never forget you," as the song goes) have led the ambassador to request his transfer. He asked to be appointed ambassador before the OAS, even though this appointment required the transference of a career diplomat to another position. Why did he ask for that? Mr. Franco remains in Lisbon and the decision about when he will go to Washington depends solely on him. As he has — rumors say — a dispute with the Brazilian foreign minister, he surely wants Minister Lampreia to solve the problems created by him. In the opinion of the president of the Republic, who no longer hides the irritation his predecessor's political peregrination causes him, Franco evidently wants to follow him in the presidency. As a result, we can now see the president of the Republic make disguised comments about his ambassador to Lisbon who, supported by [former Finance Minister] Ciro Gomes, hurls numerous attacks on the president's policies. Worse still, Mr. Franco has installed his office in an ugly building near Planalto Palace. There he receives not only those to whom he dedicated special attention while still president, but also ministers of President Fernando Henrique Cardoso's cabinet. If one is to believe what the papers say, the labor minister has been there and did not want to make any comments upon leaving. Other news reports that Minister Israel Vargas has requested a "Proer" [Program To Encourage

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the Reorganization and Strengthening of the National Financial System] for the science and technology area! Meanwhile, Planalto Palace remains quiet.

In a full electoral campaign, although he does not want to confess it, [Communications] Minister Sergio Motta occupies the newspapers' pages with his poisonous criticism of the interest rate policy implemented by the economic team and sanctioned by the president of the Republic. It is a matter of indifference for the communications minister whether the president himself — answering attacks by his common critics — asserts and insists that interest rates are going down. If we take the minister's words seriously — as his position in the administration demands — it is no longer the administration that makes decisions. The interest rate policy is now established by the "technobureaucrats" (Ambassador Franco must have been very happy to hear that), because it is "technobureaucracy" that hinders the administration's work and prevents it from advancing on the path that leads to fixing interest rates at the 12-percent per year level. At the Finance Ministry, everyone took the comments as "one of Serjao's things." We must learn, however, whether the diatribe will be accepted in Congress with the same impassiveness: After all, the minister (who is said to be the favorite of the president of the Republic) has condemned the slowness of the debates on the bill regulating the telecommunications area, in addition to criticizing his colleague in the Mines and Energy Ministry for his delay in sending to Congress the bill that regulates the federal administration's monopoly over oil.

If technobureacracy hinders the administration's work, what will be done to allow the administration to take the correct course? The answer is difficult due to the president of the Republic's temperament: He accepts the ambassador to Lisbon's articulations; he did not want Mr. Andrade Vieira to remain at the head of the Agriculture Ministry, but did not want to hurt him by asking him to leave the position. Therefore, he will surely not have conditions to confront technobureaucracy because, after a throrough analysis, technobureaucracy is a sociological fashion catalogue that the Central Bank president, as well as the finance minister, can say does not have their sizes. This, however, does not prevent the administrative circles from continuing to talk about this organization, which had a long life in the 1960's and 1970's. The Bank of Brazil president, seemingly wanting to say that he had nothing to do with the issue, declared before the Senate's Committee for Economic Affairs that the official bank had been instructed by the Central Bank to lend money through the interbanking system in order to prevent the crisis, after the Economico bank was placed under trusteeship. This has been extremely important guidance, because — as Bank of Brazil President Paulo Cesar Ximenes said — when the banks resort to rediscounts they are viewed in a bad light by the financial system and have to pay interest rates higher than those charged in interbank operations.

There are clear signs that, politically, President Fernando Henrique Cardoso's administration is running the risk of being seen as the candle that has begun to burn. If the president of the Republic does not detect this reality in time and trim the wick, he will be running risks with regard to the municipal elections.

Brazil: IMF Evaluation of Banking System Viewed

PY2604162596 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Apr 96 p A3

[Editorial from "Notes and Information" page: "The IMF and the Banking System"]

[FBIS Translated Text] Referring to the situation of Brazilian banks, IMF Managing Director Michel Camdessus has adopted a severe attitude toward Brazil — which is rather uncommon. Camdessus has reiterated, in a more explicit manner, what Michael Mussa — IMF economic adviser and director of the Research Department — said two days earlier, when he asserted: "Some banks will disappear, some will merge, and some must be strengthened."

The IMF diagnosis emphasized doubts reigning in the country: Can Brazilian banks adjust to a 10-billion reals [R] reduction in their inflationary income? Most of them, as a block, can; some cannot. The answer stemmed from the Cruzado Plan, when several institutions intensively reduced their cadres and spheres of action. As the Real Plan celebrates its second anniversary, the situation has become explicit. Excluding the Federal Savings Bank — which is a victim of subsidies granted in the past to the housing system and to several cases of bad management — the two largest state banks have revealed the degree of seriousness of the crisis. The Sao Paulo State Bank has been under trusteeship since 1994 and will now operate under state government control only if the Senate allows the Sao Paulo treasury to absorb the R15-billion debt at December values. The Bank of Brazil has losses surpassing R4 billion, and needs help.

Private banks in general have been able to overcome the crisis. It must be pointed out, however, that the high degree of exposure of the banking system to the media — in addition to moments of crisis and to the trusteeship ordered in two institutions; the Nacional Bank and the Economico Bank — has harmed the confidence of

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account holders, particularly individuals, in the banks. This worsened the situation of institutions that have little access to inter-banking operations. Therefore, the IMF comments can be seen as unfortunate. It will be unfortunate indeed if they strengthen the banking concentration, which is a very common phenomenon in unfavorable circumstances.

Referring to Mussa's comments, Finance Minister Pedro Malan said: "It is not the duty of a second echelon official to forecast" the situation of IMF member countries. Malan admitted, however, that "for some time now, the administration has been commenting a great deal on what he (Mussa) has said."

The IMF attitude must be seen multifocally. The institution knows Brazil very well and, when the IMF's managing director refers to the reorganization of banks, he knows very well that the system is solid and that there is no systemic risk (in accordance with the law, federal banks cannot possibly go bankrupt). In addition, it has been realized that permissivity in dealing with the solvency of certain institutions — referring mainly to public institutions — contributes to the worsening of public indebtedness and, consequently, affecting a deficit which is already very high. The IMF seems to consider it unnecessary to further protect the Brazilian banking system. This represents a new, and perhaps unusual, attitude.

Brazil: Pension Funds To Form Cellular Services Group

PY2604190396 Sao Paulo GAZETA MERCANTIL (Telecommunications Supplement) in Portuguese 23 Apr 96 pp 1, 3

[Article by Katia Luane in Rio de Janeiro]

[FBIS Translated Text] Nine of the largest Brazilian pension funds are forming a consortium to offer cellular telephone services: the Previ [Bank of Brazil Pension Fund], Aerus [expansion unknown], Fapes [expansion unknown], Petros [Brazilian Petroleum Corporation Pension Fund], Eletros [expansion unknown], Sistel [Telephone Employees], Telos [expansion unknown], Valia [expansion unknown], and Real Grandeza pension funds will join the Bozano Simonsen Bank, the Opportunity Asset Management, and the Bank of Brazil Distributor of Certificates and Securities [BB DTVM]. They are anxiously awaiting the regulation of the so-called minimum law for the opening of the cellular telephone service in Brazil. While Congress slowly deals with the process, potential investors are taking action to draft strategies to exploit the so-called "B-band" — the frequency used for private operation of cellular telephones.

Bozano and Simonsen Bank Director Jose Luiz Alqueres have stated that to conclude the mega-partnership all that is missing is the choice of their technological partner. Opportunity Asset Management Director Arthur Carvalho said selecting this type of partner is very complex due to possible demands by the federal administration, such as a probable reciprocity among countries interested in forming a partnership with Brazilian enterprises.

He added, however, that the consortium is interested in seven of the nearly 30 international companies capable of offering the most modern technological support in the field of telecommunications. He explained: "We must be careful in the selection so as not to run the risk of having a partner that may be disqualified." The three institutions act as advisers [preceding word in English], while Opportunity and Bozano will join the group as investors.

This consortium, which will probably be one of the most aggressive, is interested in the cellular telephone service. This area has what is normally called repressed demand and has grown by more than 100 percent since it started to function in Brazil. Carlos Jose da Costa Andre, corporate finances coordinator of the BB DTVM, reported that in Sweden, where the service has the highest level of penetration worldwide (20 percent), growth figures surpass 50 percent. Telebras [Brazilian Telecommunications, Inc.] estimates indicate that overall investments (private and public) in Brazil will total $10 billion by 2000.

Of the three first services to be opened to private initiative, the most attractive is that of cellular telephone services which, in accordance with the federal administration's project, will be exploited on a regional basis. Alqueres believes the attractive part is that it is the first service to be objectively offered as a result of the easing of a state monopoly. The executives point out, however, that all current actions are focused on studies, planning, strategy, and other steps to make the consortium "more competitive during the bidding process and, later, in exploiting the service."

Although they understand the slowness with which regulation of the services is being conducted (approval of the regulation is expected during the second half of the year), the executives believe the federal administration's initiative of creating the minimum law shows its readiness to reduce discussions and speed up the process.

They do not see any possibility that foreigners will lose interest in investing in Brazil as a result of the U.S. Government decision to open the national market, where the telecommunications services will no longer be regional. The Bozano director explained: "Investors

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are observing all opportunities worldwide. Brazil is the most attractive market, particularly in view of its technological backwardness, which allows foreign enterprises to expand."

Andre emphasized that in this moment of stability, the Brazilian economy has given signs that the telecommunications area will undergo a growth burst. The BB DTVM coordinator said: "Brazil can compete very well with more mature markets."

Brazil: Cellular Phones Area Consortia Created

PY2904135896 Sao Paulo GAZETA MERCANTIL (Telecommunications Supplement) in Portuguese 23 Apr 96 p 3

[Article by Heloisa Magalhaes in Rio de Janeiro]

[FBIS Translated Text] The number of consortia comprising national and foreign enterprises interested in operating cellular telephony services in Brazil is increasing. Eight groups have already been formed, despite the slow approval process at Congress of the so-called minimum law for the telecommunications area. This law opens the service to private capital. The law is expected to be approved in September and the bid documents to become available in October. As a result, bids would be handed in during February 1997, and the first private operating enterprises would make their services available in November 1997.

Some groups are already official and have formally announced their plans to operate in the area (see the list at the bottom). Others, like a probable partnership between Motorola and the Suzano Paper and Cellulose company, have not been confirmed yet. Some operators, like the U.S. South Western Bell and the Italian Stet companies, are negotiating with several Brazilian partners. Some Brazilian groups, like those led by northeast region entrepreneurs Albano Franco and Tasso Jereissati, do not hide their interest in participating. The Camargo Correa building company, now under a new president, has announced its plans to participate.

Normally, a consortium is made up of a partner, like a bank, which provides the capital; a construction company or an enterprise of the communications area; and a foreign partner, in most cases an enterprise operating in the cellular telephone area.

Cellular telephony has the greatest growth potentiality in the telecommunications area. In 1990, there were 11.2 million subscribers worldwide. This number has now increased to nearly 55 million. In 1991, there were 13,500 cellular phones in Brazil, and subscribers had to then pay as much as $15,000 for the service. By 1992, the number of subscribers had risen to 60,000; in 1993 to 250,000; in 1994 to 720,000; and at the end of 1995 it stood at 1.5 million. Investments by Telebras [Brazilian Telecommunications Inc.] system, however, are far from meeting the demand. State-owned concessionaires have a waiting list of nearly 1.3 million people. Estimates indicate that perhaps another 700,000 are also interested in a cellular phone. Telebras plans to make available 1.5 million subscriptions in 1996 and, as a result, have 3.2 million subscribers by the end of the year.

The Program for Recuperation and Expansion of the Telecommunications System and the Postal System (Paste), which was announced by the federal administration in November 1995, foresees that, with the participation of private enterprises in cellular telephony, there will be 17.2 million cellular phones in use by 2003. It is believed that by the end of the year there will be 4.8 million subscribers, 6.8 million in 1997, 8.2 million in 1998, and 9.6 million in 1999.

Within the framework of this proposal, the average number of cellular phones per 100 inhabitants, which in 1994 totaled 0.52, will become 10 cellular phones per 100 people in 2003. The average increase per year in the number of people interested in cellular phones in Brazil will remain at 30 percent. International interest in this type of telephone stands at 20 percent per year, the highest among telecommunications services.

State-owned telephony concessionaires, the so-called teles, have this year a daring proposal to expand their respective cellular phone networks.

The one who benefits most is the user. In government spheres, however, it is felt that if investments are not made swiftly and the private area does not begin operating next year, the teles will have to face a competition that may reduce their profit in one of their most profitable areas.

As a result of the state-owned network expansion, equipment manufacturers and engineering enterprises responsible for the installation of the networks have been organizing themselves to run in two different tracks: To supply the private groups that are preparing to dispute the B-band; and to prepare for the bids scheduled by state-owned concessionaires this year. Document for four bids have already been published: One of Telerj [Rio de Janeiro Telecommunications] to install 110,000 terminals; one of Telemig [Minas Gerais Telecommunications] for 180,000 terminals; one of Telepar [Parana Telecommunications] for 93,000 terminals, and one of Telesp [Sao Paulo Telecommunications] for 160,000 terminals. It is expected that there will be nine more bids before the end 1996, and they will correspond to 800,000 new cellular phone subscribers.

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Some private consortia have already established partnerships in the area of engineering for the respective future cellular networks. The most important one — which gathers Globopar, AT&T, and Bradesco [Brazilian Discount Bank], has hired the U.S. company LCC. The Promon Engineering company was chosen by the consortium that comprises Bell South, Safra, and OESP (Sao Paulo media enterprise).

The latest consortium, which was announced last week, comprises the Odebrecht Organizations, the Unibanco Bank, the Folha da Manha group, and AirTouch — the largest dedicated international cellular phone operator which makes a $1.6 billion profit. The enterprise has more than 5.5 million subscribers (3.5 million cellular phones and 2 million paging services). It operates in the United States, Asia, and Europe and has registered a growth of 130,000 subscribers per month.

Brazil is the first Latin American country to interest AirTouch. This company has 1.5 million subscribers in Germany, 800,000 in Japan, 200,000 in Portugal, and 300,000 in Belgium. After only three months of operation in Spain, AirTouch already has 60,000 subscribers. In five to 10 years, the company wants to increase the percentage of people using cellular phones in Brazil from 1 percent of the population to 24 percent.

Interest in B-Band

Here is a list of the private groups interested in cellular telephony in Brazil:

1. AT&T (U.S. operator), Globopar (Globo Organizations holding), and Bradesco (the largest private bank in Brazil).

2. Bell South (U.S. telephony operator), Safra Bank, and OESP (Sao Paulo media enterprise).

3. TIW (Telesystem International Wireless, from Canada), and Lightel (of the Minas Gerais group Algar).

4. GTE (U.S. operator), Itamarati (Olacyr de Moraes' group), and Splice (telecommunications equipment manufacturer).

5. AGTelecom (telecommunications enterprise that belongs to the Andrade Gutierrez group), and USest (U.S. operator).

6. Odebrecht (civil construction area group), Unibanco (the second largest private bank in Brazil), Folha da Manha (enterprise that publishes newspaper FOLHA DE SAO PAULO), and AirTouch (large U.S. operator of wireless services, functioning worldwide).

7. Milicon (Swedish operator) and Rural Bank (from Minas Gerais State) are still choosing new partners for various regions.

8. Italian Stet has announced that it is looking for partners, and this is one of the possible accords.

9. Motorola (U.S. manufacturer and operator) is negotiating with the Suzano Paper and Cellulose company.

10. Camargo Correa, a construction company looking for partners.

11. Southwestern Bell, which is also negotiating partnerships.

12. Mobitel (of the Portugal Telecom group), and Milicon.

13. Metodo (engineering company) and CCI (U.S. operator).

14. Bank of America, which is negotiating with possible partners.

Brazil: Agrarian Reform Minister on 'Radical Changes'

PY2704033696 Sao Paulo AGENCIA ESTADO in Portuguese 2333 GMT 25 Apr 96

[Report by Raquel Stenzel]

[FBIS Translated Text] Brasilia, 25 Apr (AE) — The special minister appointed to command the national agrarian reform, Raul Jungmann, plans to decentralize the federal administration agrarian reform program. Today, in the first news conference granted after his appointment was confirmed, Jungmann said that "the time has come to make radical changes" in the agrarian reform program. His priority is to speed up the settlement process. To this end, he counts on the national Congress approving a bill that would improve summary proceedings for implementing actions linked with agrarian reform.

Jungmann also announced the establishment of the National Agrarian Reform Council, which will be installed on 30 April. It will be comprised of representatives of the rural workers, the Catholic Church, entrepreneurs, and other civilian entities. On 1 May, Jungmann will hold his first meeting with the Landless People's Movement.

Jungmann wants the National Land Reform and Settlement Institute [INCRA] to undergo an institutional reorganization because he thinks that the federal administration should have but a supervisory role. He believes that state and county administrations should participate more intensively in the implementation of the agrarian

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reform. Last week, Pernambuco Governor Miguel Arraes presented the decentralizataion proposal, which was immediately supported by President Fernando Henrique Cardoso.

It is curious to notice that, since last year, the ruralist bloc in the national Congress has been insisting on promoting more intensive participation on the part of county administrations in the agrarian reform process. Until early in the evening of 24 April, Jungmann still had not decided whether he will maintain the current INCRA board and whether he will act as INCRA president, in addition to serving as agrarian reform minister.

The appointed agrarian reform minister believes that only through dialogue can agrarian conflicts be reduced in the country. As special minister, Jungmann plans to act within the federal administration as an articulator for the promotion of the agrarian reform, while out of federal administration spheres, he will act as negotiator. On 25 April, he held talks with Senate President Jose Sarney about the need for intensifying dialogues among the three government branches in order to speed up solutions to the agrarian problems. In the next few days, he will probably request a meeting with several leaders [Colegio de Lideres].

Jungmann wants to seek alternative types of financing for the agrarian reform, be it for the purchase of land or for the promotion of settlements. He said that the federal administration's goal of settling 60,000 families still this year must be kept, but promised to further increase the number of settled families. The appointed minister asserted that there will be resources for the agrarian reform and that he does not believe that the cost of 30,000 reals for the settlement of each family is too high. "From the budgetary point of view, it may seem a high cost, but not from the ethical and moral viewpoint," he said.

Jungmann added that "now that we have achieved a stable currency and administrative stability, it is the time to ensure stability in social relations." According to him, "this time things will be different." He added: "There has already been a radical change regarding dictatorship and corruption, and now the massacre of landless people at Eldorado dos Carajas (Para) represents a turning point for the agrarian reform, because we can no longer live with this shame."

Brazil: Para Governor Interviewed on Massacre

PY2704034596 Rio de Janeiro O GLOBO in Portuguese 24 Apr 96 p 4

[Interview with Para Governor Almir Gabriel by Ricardo Miranda; place and date not given]

[FBIS Translated Text] [Miranda] Who is to blame for the massacre in Eldorado de Carajas? You?

[Gabriel] The Maraba Military Police commander (Colonel Mario Pantoja) made a mistake. I did not make a mistake, nor did the security secretary (Paulo Sette Camara). But the great responsibility lies with the federal administration bureaucracy. The land problem in the state stems from a century-old disorganization, from the fact that the property titles have unspecified property limits. In the past 30 years, the population of Para multiplied by four. Immigrants from all the regions of the country have come to Para. New superimposed areas have appeared with the creation of new municipalities. No one knows where a property begins or ends. We have the breeding ground for the explosive situation the state lives through, with conflicts involving landless peasants, gold diggers, and Indians.

[Miranda] What has the federal government done so far to settle this?

[Gabriel] The solution is enmeshed in bureaucratic, financial, and legal problems. The problem is that when the confiscation of a farm is declared, there are so many requirements that it is almost impossible to solve the land conflicts quickly. I suggested to the president, who then authorized me, to create two commissions to draw up a realistic register of the land situation in Para. I ordered the annulment of all irregular and unregistered property titles. To this, we must add the problem of the existence of large rural properties in the state.

[Miranda] Do you mean that the federal administration is responsible for this?

[Gabriel] Without a doubt. But I do not blame anyone in particular. Matters become mired as they run into a bureaucracy and a legal system that is based on the idea that everyone is a criminal until the opposite is proven. Therefore, no one can solve emergency problems. Everything is resolved after the crisis explodes.

[Miranda] How does that apply to Eldorado?

[Gabriel] We are trying to place the landless peasants in other plots around the region, but the solution has taken so long to materialize that they left Curionopolis and headed to Macaxeiras farm. For 15 months we had been attempting to prevent the confrontation. The Military Police and the Land Institute distributed food and sent

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medical doctors to the area. But the national directorate of the Landless People's Movement, MST, held a meeting in Maraba during which they severely scolded the Para leaders for the fact that they were negotiating. Since that day, the negotiations became more difficult. It was then that the landless peasants decided to block Highway 275, which bypasses Curionopolis. They looted cars and stole food. Then they went to Eldorado, where the barbaric incident took place.

[Miranda] Did the MST leadership become more radical then?

[Gabriel] Yes. Listen to these terrible figures: Of the 1,200 landless peasants in Curionopolis, only 350 are farmers. The remaining 850 are public municipal employees, many of them from other states. The Para natives do not amount to 5 percent of the group. Even people from southern Maranhao had been brought in. One of the injured men whom I visited in the hospital in Belem said he had come to Para only five months ago when he learned that the landless peasants were being given plots of land in Para.

[Miranda] How would you answer the lawyer of Colonel Mario Pantoja, who claims that you ordered the Military Police to lift the road block at any cost?

[Gabriel] There was no such thing. The lawyer is defending his client. I never spoke that nonsense to Colonel Fabiano Lopes, general commander of the Para Military Police.

[Miranda] Is the government carrying out an unofficial intervention in Para by sending Army troops to replace the Military Police in southern Para?

[Gabriel] There is no unofficial intervention of any kind. That is absolutely false. Nothing is being done without the approval of the Para governor. I was the one to ask that the Army carry out an offensive action in the state.

[Miranda] Don't you fear that your life and political career will be marked by this event?

[Gabriel] I do not fear that may happen. I have always sided with the poor. That is the story of my life. During my administration I never treated a landless peasant as if he were a criminal. I did not do anything that could indicate that the state government action tended to violence. Eldorado was an incident of my destiny. A serious family man can run over a child and not be guilty. I must be humble enough to understand what destiny placed on my path. It is not my fault. I sleep five hours per day, without tranquilizers and with a clear conscience.

[Miranda] What would you tell the landless peasants?

[Gabriel] To identify well their real leaders, those who want to solve the land problem as a labor instrument. They must separate their real leaders from those who want to use the land problem as a political instrument. They must gather their real leaders and separate them from those sectarian leaders who have no scruples in placing people's lives at risk.

Brazil: Role of Mercosur in Paraguay Crisis Viewed

PY3004122796 Sao Paulo GAZETA MERCANTIL in Portuguese 24 Apr 96 p A2

[Editorial: "Democratic Solidarity Within Mercosur"]

[FBIS Translated Text] At this stage in the evolution of the Common Market of the South (Mercosur), a military coup or any attempt to break with the constitutional state of right in one of the Mercosur member countries is inadmissible. One of the Mercosur fundamental suppositions is, precisely, its adherence to the representative democratic regime, which their peoples had yearned for for so many years and which effectively represents a pre- condition for the blooming of free market economies.

This is why the political crisis — which was sparked this week with President Juan Carlos Wasmosy's decision to depose Paraguayan Army Commander General Lino Cesar Oviedo, and to place him on the retirement list — has caused such justifiable concern. Disagreeing with the decision, General Oviedo took to a Cavalry garrison and declared that he rebelled against the administration and that he demanded to be reappointed to the position he had occupied. Acting firmly, President Wasmosy maintained his decision, which had been adopted in strict compliace with his constitutional powers, and to this extent he had broad popular support, as well as the support of the Navy, the Air Force, and the Army troops that had remained loyal to the legally instituted administration. The possibility of an agreement between the two parties has not been excluded, although the labor unions oppose any such solution.

The unusual events that were taking place in Paraguay led to direct phone consultations among Brazilian President Fernando Henrique Cardoso, Argentine President Carlos Menem, and Uruguayan President Julio Maria Sanguinetti. From the very beginning, the three presidents had tried to show an unmistakable support for President Wasmosy. In order to closely follow events and obtain information on the crisis, President Cardoso ordered the departure of a high-level mission to Asuncion.

We hope Paraguay can return, yet this week, to an atmosphere of democratic normalcy, but this is a good

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opportunity to wonder what would happen if a coup d'etat were successfully staged in any of the Mercosur member countries or in any of the countries that are moving closer to the Mercosur block through the signing of free trade accords. International repercussions would have been extremely bad and would have created distrust regarding the political stability of all countries of the bloc. As a result, it would become unfeasible to implement agreements between Mercosur and the EU or Mercosur and other blocs or individual countries.

Worse still would have been the embarrassment that a "statement" in the old style would have caused among the partners. This would have probably created frictions that might ultimately have made the member countries lose most of what they had achieved in the last few years. In such a case, we would like to ask whether the Mercosur might adopt sanctions against one or another partner that decides to leave the democratic path. We would also ask whether this would not harm the non-intervention or sovereignty principles of the member countries.

We know very well how dear to the Latin American countries in general is the non-intervention principle. We wouldn't accept, in any hypothesis, the possibility of an administration interfering in the domestic affairs of another. Nevertheless, it would be very natural if — as a result of events that might shake the democratic structure upon which, we repeat, the Mercosur is based — the administrations considered the possibility of implementing restrictive measures regarding a country that had decided to adopt a state of exception. Although it would apparently weaken the bloc's unity, there seems to be no other alternative than to maintain in office the administration of any of the countries of the area even if it has a philosophy that frankly contradicts that adopted by the other countries.

This democratic solidarity does not imply violating the sovereignty of any member country. On the contrary. The various South American countries had to tread different paths in order to achieve democracy in view of their historic and social conditions. In no case, however, would it have been truthful to say that the democratic regime does not represent the achievement of each different country's peoples, particularly because democracy has often been achieved in these countries through long and tempestuous struggles.

It is appropriate to say that, due to all these reasons, Mercosur has established natural mechanisms rejecting dictatorial regimes or regimes that are based on force or violation of human rights.

Brazil: Army To Buy Modern Missiles, Materiel

PY3004114696 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Apr 96 p 4

[FBIS Translated Text] Porto Alegre — The Army this year will invest $200 million in missiles and sophisticated foreign-made military equipment, which will be used by some special units, the so-called rapid deployment battalions.

This information was released on 26 April by General Dirceu Ribas Correa, chief of the Army Materiel Department, who left his post to take over as chief of the Southern Military Command (CMS), in the Rio Grande do Sul capital, replacing General Mario Sergio Rodrigues de Mattos.

The purcahsing of military equipment is a strategy by Army Minister Zenildo de Lucena to create pockets of modernity in some military units. Last year, German-made Leopard and U.S.-made M-60 tanks — among other types of materiel — worth $340 million were purchased as part of this strategy. The equipment was assigned to rapid deployment units, among them those in the UN peacekeeping forces, which today have 1,200 Brazilian soldiers in Angola.

Chile

Chile: Aninat Predicts War on Inflation To Be Won by Aug

PY3004010496 Santiago EL MERCURIO in Spanish 20 Apr 96 p B4

[FBIS Translated Excerpt] Finance Minister Eduardo Aninat has estimated that the battle against inflation "will be won by August or September." He also said that the economic growth rate in the first quarter of this year was clearly greater than the 7 percent estimated initially.

He said this issue was discussed during the meeting held by the economic team with Roberto Zhaler and Jorge Marshal, president and vice president, respectively, of the Central Bank.

Aninat said the government is at ease regarding the inflation rate, and that prices only went up in the last few months because of the increase in the international price of oil due to the embargo against Iraq and the conflict between Israel and Lebanon in the Middle East. He also said that another aspect to be considered was the drought.

But according to Aninat, the evaluation regarding inflation made with the Central Bank is "reassuring," and the conclusion is that a single element is not enough

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to predict a change, that one must look at the situation from April onward.

Aninat called on the economic agents not to become nervous and to make conclusions gradually by looking at all the inflation elements and not at specific ones such as the "agricultural impact," which is the term used to describe the influence some agricultural products have on inflation.

Aninat has confidence that the Central Bank's new adjustment rate policy in force since 5 April "will give the necessary positive results."

Asked if the adjustment will not last very long, as predicted a few days ago, Aninat replied: "We all want that to happen, but we cannot make a prediction."

Aninat also said that the economic growth rate looks very solid and that the figures for the first quarter to be disclosed soon are "very good news for business and workers." [passage omitted]

Chile: Aninat Discusses Defense, Economic Development

PY3004115696 Santiago EL MERCURIO in Spanish 21 Apr 96 p C2

[FBIS Translated Excerpt] Finance Minister Eduardo Aninat has expressed the need to create a definite, clear, and dynamic national defense strategy in support of the country's economic development.

Aninat made this comment during a lecture given at the National Academy for Political and Strategic Studies entitled: "Chile in a Global Economy — Effects of Economic Integration on Our National Security."

Aninat said that the constant changes in international economics requires the joint action of all the country's sectors because the concepts of economic and national security play a prominent role with regard to the need to enter the large regional and international markets.

Aninat began his lecture by analyzing the internationalization process in which the entire world economic and productive structure, including our country, is involved.

He explained that the changes taking place in the world are irreversible and involve an internationalization so vast that no country can escape its effects. He said, in this context, that Chile chose an open and competitive strategy abroad, which "is irreversible," and which has been favored by the position of economic and political-strategic leadership reached at the regional level.

Aninat added that based on this background, the challenge posed to the country by this new world reality demands that it be faced and resolved in a shared manner by all sectors, as a state.

Therefore, said Aninat, the concepts of national and economic security are so closely linked that they sustain each other.

He added that economic security creates the basis for a country to have a stable international position, and to become less vulnerable and more secure. This is especially true in the current world situation, and will apply even more in the future. [passage omitted]

Chile: Foreign Minister Seeks Navy's Opinion on Policy

PY2904025596 Santiago EL MERCURIO in Spanish 22 Apr 96 p C4

[Article by Hernan Cisternas]

[FBIS Translated Text] Valparaiso — To learn about the opinion of the Navy on given matters related to international policy, Foreign Minister Jose Miguel Insulza met with Admiral Jorge Martinez Busch, commander in chief of the Navy, and with high-ranking Navy officers.

The foreign minister said that "the country has only one foreign policy; several institutions are developing a part of it, but integrated within the framework of objectives that are national in scope."

He said that "the perspective of the Navy concerning the great domestic policy issues and foreign policy questions is essential. The modern status of our Navy, both analytically and in terms of preparedness, has captured my attention."

The meeting was held at the Chilean Navy building, headquarters of the Navy commander in chief, on Friday, from 1130 to 1330.

The foreign minister participated in the meeting, accompanied by Foreign Ministry Under Secretary Mariano Fernandez.

Present at the meeting representing the Navy were Admiral Martinez Busch and Vice Admirals Juan Mackay, chief of the Navy staff; Patricio Arancibia, director general of Naval Services; and German Goddard, commander in chief of the squadron.

At the end of the meeting, the participants had lunch on board the flag ship of the squadron, the destroyer Blanco.

After the meeting, the foreign minister said that a lengthy and complete report was received about the strategic visions of the Navy and the tasks it performs.

When asked whether aspects related to relations with neighboring countries were discussed, Minister Insulza said that "in general, we consulted with regard to those

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points, but we have common views about them. In terms of the great objectives of national sovereignty, defense of the national territory, and the country's development, we have a shared and common view."

He added that these matters will always be analyzed by the Armed Forces with all those interested and with the institutions that must deal with them.

He said, moreover, that they also discussed the next cruise trip of the training vessel Esmeralda, which will visit the North Atlantic this year. He termed important the presence of Chile in northern Europe at a time when the country is interested in its relations with that continent.

Concerning the possibility that Navy troops might join new UN peace missions, the foreign minister explained that this subject is one of several options being analyzed by the Defense Ministry.

"The Navy is prepared should a decision be made to participate in those missions, but there is nothing yet on specific missions," he said in conclusion.

Chile: 'Realistic' Foreign Policy Guidelines Urged

PY2604115396 Santiago EL MERCURIO in Spanish 19 Apr 96 p A3

[Editorial: "The Lima Conventions"]

[FBIS Translated Text] The Chilean and Peruvian Governments have agreed to reject the Lima Conventions signed in May 1993 by the Chilean and Peruvian foreign ministers, Silva Cimma and De la Puente, respectively, during the Patricio Aylwin administration. These agreements constituted the legal framework for the administration of railroad, port and customs buildings that, in compliance with the 1929 Treaty, had been built in Arica for the service of Peru. They also encompassed regulations about the free transit of people and merchandise, the fate of the El Chinchorro property, and the building of a monument as a peace symbol on the Arica hill.

After they were signed, the agreements were questioned by the Peruvian Government, which finally decided to withdraw them from Congress. The pressures exerted by nationalist groups, by supporters of Javier Perez de Cuellar's frustrated presidential candidacy, and the criticism made by some Peruvian diplomats were able to block the promulgation of the Lima Conventions. In addition, at the beginning of this year, the Peruvian Government submitted a note in which it virtually nullified the pact by proposing an exchange of land lots encompassed in the 1929 Treaty and the need for shared rights over works and property.

Just as happened in 1934, Peru has not honored signed agreements by alleging congressional reticence and opposition. An issue worth mentioning is that President Fujimori has increased his representation in Congress since the signing of the new agreements. This confirms the theory upheld by former Foreign Minister Blaker Miller [not further identified], who alleged that Peruvian groups will constantly strive to exploit the fate of these works to promote Peru's sovereignty over Arica. Those individuals close to the same opposition groups who were responsible for pressuring the Belaunde administration to request the withdrawal of the Chilean ambassador from Peru, and who later promoted the brief closure of the border decreed by Alan Garcia, have now urged the government to disavow a valid pact.

This notwithstanding, bilateral economic ties are strengthened through an increasing commercial trade and important investments. Moreover, both countries uphold the defense of individual rights through the implementation of democratic processes and free market practices through privatizations and allowing for international competition. There are, therefore, great incongruities between Peru's economic program, the spirit of its citizens and its diplomatic policy, which is based on antiquated policies and is dependent on the exaggerated influence of minority groups.

The Chilean Foreign Ministry's decision to reject the Lima Conventions should be in line with a carefully-thought out medium-term plan. In view of this, it must provide information about the objectives of such a decision. Otherwise, it would seem to be another hasty decision justifying the discouraging but constant Peruvian attitude of continuing to uphold certain aspirations without any legal grounds.

The outcome of the Lima Conventions issue has again raised doubts about certain CPPD [Coalition of Parties for Democracy] foreign policy decisions. This situation shows the lack of realistic guidelines and the existence of frustrated international actions. This is what transpired with the Laguna del Desierto issue, something which could occur again with the Southern Glaciers issue.

Chile: Defense Minister Visits Germany, Signs Agreement

PY2904122596 Santiago EL MERCURIO in Spanish 23 Apr 96 p C4

[FBIS Translated Text] On 22 April, Chilean Defense Minister Edmundo Perez Yoma and his German counterpart Volker Ruehe signed a broad cooperation agreement during a European tour which began on 19 April.

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Perez Yoma said Chile is analyzing the possibility of purchasing submarines and patrol boats within the framework of a weapons renewal plan called "From Now Until 2000." He confirmed that there is interest in German-made material.

He said: "As soon as negotiations to replace weapons begin, we will undoubtedly consider very seriously the possibility of buying German submarines."

He reaffirmed a decision to send Chilean soldiers to Iraq to replace a German helicopter contingent within the UN peace-keeping force.

Ruehe highlighted the good bilateral relations, among them the military ties. He said: "Chile reflects the current democratic stability and the economic development in Latin America, we thus are able to implement broad cooperation projects."

He added that these factors open great possibilities for promoting "professional training and dialogue," and international security policy dialogue.

On 22 April in Berlin, Perez Yoma began the first official visit by a Chilean military delegation to Germany since the time of the military government headed by General Augusto Pinochet.

Chile: Bulgarian Foreign Affairs Deputy Minister Visits

PY2904123496 Santiago EL MERCURIO in Spanish 24 Apr 96 p C5

[FBIS Translated Text] On 23 April, the Chilean and Bulgarian Governments agreed to establish a high-level consultation and political agreement mechanism and to hold alternative meetings in Santiago and Sofia.

This was one of the results of meetings at the Chilean Foreign Ministry. They were presided over by Cristian Barros, acting Foreign Ministry under secretary, and Ivan Khristov, Bulgarian deputy minister of foreign affairs.

The decision was prompted by great interest in maintaining a permanent exchange of information through a regular and flexible mechanism of bilateral contacts.

High-ranking foreign ministry officials from the two countries will thus hold periodic consultations on various issues.

Bilateral issues and topics on international policy, like those addressed at the United Nations and other multilateral forums, will be discussed during these meetings.

Alternate meetings will be held in Sofia and Santiago. The level, timetable, and agenda will now be negotiated.

Chile and Bulgaria resumed diplomatic relations on 6 April 1990, although so far they have maintained a very restrictive level.

Bulgaria is very interested in learning about Chilean socioeconomic development issues, its political transition, and the consolidation of democracy.

Trade amounted to $35,817,000 last year, with a highly favorable balance of $34,324,000 for Chile.

Chile: Government, Farmers Establish Agricultural Council

PY2904182896 Santiago EL MERCURIO in Spanish 20 Apr 96 pp A1, A27

[FBIS Translated Excerpt] President Eduardo Frei and the National Agricultural Association [SNA] yesterday reactivated the National Agricultural Council. This council, which comprises representatives of the government and agriculture, will draft long-term measures that will allow Chilean agriculture to overcome the demands of Chile's new commercial opening.

Established in 1995 within the framework of the 48 measures announced by the Chilean Government, this council will study those problems that some area will experience once Chile joins the Common Market of the South, Mercosur.

The agreement materialized last night after an extensive 90- minute meeting between President Frei, Agriculture Minister Emiliano Ortega, and SNA leaders. During this meeting they tried to overcome disagreements resulting from Chilean-Mercosur negotiations.

Although after the meeting SNA representatives said they were "calm." SNA President Ernesto Correa said they continue to believe that joining Mercosur will have a negative impact on traditional Chilean agriculture and livestock. [passage omitted]

Chile: Ministry Establishes 1996 Antipoverty Goals

PY3004010596 Santiago EL MERCURIO in Spanish 20 Apr 96 p C9

[FBIS Translated Text] Luis Maira, the planning and cooperation minister, announced yesterday that the Antipoverty Program will be intensified by structuring the different government social programs around five main guidelines.

The Mideplan [Planning and Cooperation Ministry] program is included in the "1996 Government Goals and Objectives On These Specific Guidelines." This program also encompasses basic goals planned for beyond 1996.

This initiative developed after the issuance in January of an official statement that specifically explained the

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reasons why it would be impossible to fulfill the goals proposed by the Interministerial Social Committee, established by President Eduardo Frei to combat extreme poverty.

According to the document drafted at the beginning of the year, 28 percent of the national population lives in poverty. It also held government officials responsible for not finding solutions to this problem.

Maira stated that the five proposals included in the current text detail the progress achieved in the last two years. He particularly stressed the establishment and permanent updating of regional poverty maps, the definition of methods, and the drafting of 13 regional antipoverty programs.

Five Proposals

As an initial goal, the document proposes "to make available basic services to all Chileans, such as running water, electricity, sewage, telephone, and social and community equipment, through the implementation of specific programs. [no end quotation mark as published]

Through this program, it is expected that this year a total of 20,000 families will have access to electricity, that is, 2,400 more families than in 1995; 9,000 poor rural homes in isolated areas will have running water; 60 sewage plants will be built; telephone lines will be installed in about 3,000 poor towns, mainly in rural areas; and social and community equipment will be distributed.

Another objective is to allot investments in social infrastructure in poor and remote areas of the national territory by prioritizing the use of public resources and granting incentives to private enterprise to participate in lucrative projects.

Among public investments are the maintenance and improvement of 20,000 km of side and community roads, which implies doubling the budget allocated last year to this end; improving the infrastructure of 15 fishing docks, finishing 17 fishing dock projects already underway; and completing 13 insular interconnection works and rural irrigation projects that will benefit 5,000 peasant families.

Education, health, housing and justice are also part of the Mideplan initiative by expanding equitable high-quality social policies to impoverished social groups.

Increasing the education budget by 16 percent will result in better services in such areas as school nutrition and health programs, increasing the single family subsidy for 140,000 students between 16 and 18 years of age, and increasing the Education Infrastructure Fund by 100 percent, among others.

Regarding health, emphasis will be placed on primary attention, reinforcing 145 poor communities and improving the quality of consumer service.

Regarding the housing deficit, 104 houses will be built this year, and 90 percent of them will be in needy areas. In addition, 10 housing developments for the elderly will be built.

Moreover, the Court Access Program will increase its coverage from 40 to 50 communities. In addition, legal initiatives are under way to establish legal assistance groups and to increase the Sename [National Service for Children] subsidies.

The fourth goal for this year is to increase the income of the most impoverished homes through labor development on the basis of support programs for small-scale businessmen and small-scale urban and rural producers aimed at perfecting production development tools.

In addition, the program strives to seek ways to improve innovative decentralized and participative management training through the assessment of social policies with "equitable social indicators," by supporting communities with funds provided by the Regional Development Secretariat and special territorial programs to combat poverty.

Colombia

Colombia: State of Disturbance Extended for 90 More Days

PA3004034596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 29 Apr 96

[Report by H.H. Trujillo from Narino Palace in Santa Fe de Bogota; from the "Latest News" newscast]

[FBIS Translated Excerpt] [Passage omitted] The government has just extended the state of internal disturbance for another 90 days. With the signature of all the ministers, the government has just issued a decree establishing the prolongation of the exceptional measures, which was initially declared on 2 November 1995 and which was extended on 29 January 1996 for the first time.

Following the Senate's approval, the national government issued this decree expressing a need to maintain the state of internal disturbance in the face of the continuation of terrorist acts against the public force, the civilian population, the country's economic infrastructure, and the threats against top personalities.

According to a source consulted by RCN, with their constant actions, the criminal organizations of narcoterrorists and subversives are making this measure indispensable.

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To not continue with the state of internal disturbance would be tantamount to not applying rules whose effects have been beneficial to counter criminal actions, the spokesman concluded.

Colombia: Finance Minister Perry Said To Resign

PA2904134796 Mexico City NOTIMEX in Spanish 1215 GMT 29 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 29 Apr (NOTIMEX) — It was reported here today that Colombian Finance Minister Guillermo Perry has resigned to undertake "the political defense" of the administration of President Ernesto Samper.

Perry has been in charge of Colombian finances since 7 August 1994, when Samper took office. He said that his departure as minister is to have full freedom to show the merits of the president's political project, which has been criticized in recent weeks.

The resigning minister indicated in his message to the president that he is confident that very soon the truth will be revealed regarding the infiltration of drug-trafficking money in the financing of the political campaign that led to President Samper's election.

Samper is being investigated by a special commission of the Chamber of Representatives for illicit enrichment, falsification of documents, concealment, and electoral fraud, stemming from the suspected large contributions by the Cali Cartel to his political campaign.

According to government sources, Perry presented his resignation letter on Saturday, but he has yet to decide when it will become effective. His departure will apparently not be immediate and might come in two or three weeks.

"I believe it is my duty to contribute to prevent outrages against respectable people and to prevent that the political project that is advisable for Colombia be undermined in this process," Perry stated in his resignation letter.

He added that he "cannot undertake this task as finance and public credit minister and therefore, I ask that you leave me free to do it."

In recent weeks, Perry has been the target of constant criticism as a result of signs of recession in the domestic economy. However, the official has argued that there has only been a slowdown, which is "fully under control."

Colombia: Samper Appoints New Finance Minister

PA2904182096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 29 Apr 96

[Report by Gilbert Vega from Narino Palace; from the "Midday Newscast"— live relay]

[FBIS Translated Text] Good afternoon. President Ernesto Samper Pizano has just accepted the resignation of Finance Minister Guillermo Perry Rubio and has just appointed the director of the National Planning Department, Jose Antonio Ocampo Gaviria, as his replacement.

In his letter to answer Perry Rubio's resignation letter, President Samper says: I feel this is best for the eco >mic stability [words indistinct] for continuing with the development of the economic policy. Samper then adds: For this reason, I have asked Dr. Jose Antonio Ocampo, who has done an outstanding job as director of the National Planning Department and has worked together with you in designing and developing that policy, to take over the Finance Ministry as of this week.

In this manner, the president has officially announced the appointment of Dr. Jose Antonio Ocampo Gaviria as the new finance minister to replace Guillermo Perry Rubio.

Colombia: Business, Congress Sectors Regret Resignation

PA2904175096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 29 Apr 96

[From the "Midday Newscast"]

[FBIS Translated Text] President Ernesto Samper Pizano is trying today to solve the crisis resulting from the resignation of his finance minister, Guillermo Perry Rubio, a decision some business and Congress sectors feel is very worrisome. It is a sensitive loss for the government, Congress President Julio Cesar Guerra Tulena admitted, adding, it is regrettable.

National Business Council President Sabas Pretelt de la Vega said he was disappointed with the news, and that Mr. Perry Rubio provided the government with economic stability.

Speaking during "Caracol's 0600 to 0900" newscast, the finance minister this morning justified his sudden resignation saying he wanted to have absolute freedom of action to defend the government's actions and warn Colombians about the threat that the current political debate will become more radical. I would like to tell the Colombians that instead of dividing ourselves, we must find points of agreement, the minister pointed out.

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Several names were mentioned this morning as possible replacements for Perry Rubio. These names are Jose Antonio Ocampo, current director of the National Planning Department, and Mauricio Cabrera, former president of the Occidente Bank.

Colombia: Attorney General Statement on Suspension Order

PA3004032596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 29 Apr 96

[From the "The Latest News" newscast]

[FBIS Translated Text] The Senate presidency states that it has received the Supreme Court of Justice order listing the charges against Attorney General Orlando Vasquez Velasquez and asking the Senate to suspend Vasquez for three months while his legal situation is resolved. At the same time, this afternoon, Attorney General Vasquez Velasquez issued a statement.

A few minutes ago, the attorney general read a communique stating that he will obey the Supreme Court of Justice decision whereby he is suspended from his post for violating Article 115 of the Disciplinary Code. He said that at noon today he was notified of the high court's decision, and since he respects the Constitution and the law, he is adhering to the court order.

[Begin Vasquez recording] As a citizen, an attorney at law, university professor, and head of the Attorney General's Office, I am the first to adhere to the decision.

Throughout my life, especially in my public and professional actions, I have always conducted myself with total rectitude and dedication to service. I am hereby reaffirming my innocence of all the charges leveled against me, and I will prove that to the country.

I have not distorted the facts or reality in this process, nor have I hindered any procedures whatsoever. I have always believed that it is necessary and advantageous to support all of the documents and mechanisms that can provide positive and successful results in public administration, including of course, as a priority, the administration of justice.

The person who filed the complaint or information against the Office of the Attorney General does, in fact, exist and the special protection granted him by order from the Honorable Supreme Court of Justice, confirms the need to pursue intense investigations that will, to the country's benefit, sufficiently explain the clarity and total accuracy of certain official actions.

I have been, particularly in the professional sphere, a man of law. Respect for the law has always inspired my positions, interpretations, and decisions. I have not and will never forget that, regardless of the future, which today, I painfully must humbly and strictly adhere to.

Thus far, I have worked for 18 consecutive months, turning the Office of the Attorney General into one of the most organized and efficient institutions in Latin America. The country will prove this in the future. Likewise, and especially relevant, today as never before, we are fulfilling the constitutional mandate that instructs the Office of the Attorney General to guarantee the citizenry's basic rights against the actions, arbitrariness, and excesses of government officials and servants.

To conclude, I must underscore that reports regarding the alleged resignation of certain employees at the Office of the Attorney General are unfounded; therefore, I am able to inform the country with certainty that this office's constitutional and legal duties will continue to be fulfilled in an appropriate and timely manner. [end recording]

After reading his communique, Attorney General Orlando Vasquez said that there are no divisions among the employees at the Office of the Attorney General and that, on the contrary, they are stronger and will support him during the investigation of the complaint filed at the Supreme Court of Justice.

Colombia: Antioquia Businessmen Ask Samper To Resign

PA2704195096 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 26 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1910 GMT on 26 April]

[FBIS Translated Text] More than 1,000 businessmen from Antioquia Department have asked President Ernesto Samper to resign. It is one of the strongest blows dealt to the president since the crisis began, because it is virtually the entire business sector of Antioquia Department. In addition, businessmen are not talking about a temporary separation but, rather, a definitive resignation so the country can emerge from the crisis.

These are the voices of the business sector in Antioquia:

[Begin recording] [Businessman Juan Gonzalo Restrepo] We are asking for the resignation of the president of the Republic, no beating around the bush. [applause].

[Businessman Hernan Echevarria] I am not one of those who wants to kick out President Samper, as they say. I am asking the president to have mercy on the nation, to take his situation into consideration, to consider the threat approaching us all.

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[Businessman Jesus Vallejo Mejia] President Samper unquestionably must resign. [applause] [end recording]

More than 1,000 business leaders from Antioquia have signed a document to ask for President Samper's resignation:

[Begin businessman Alberto Meza Vallejo recording] Due to the difficult situation in the country, the resignation should be announced as soon as possible, hopefully in April or May, even before the Accusations Committee hands down its ruling. [end recording]

The businessmen also have proposed the creation of a national commission that will be in charge of seeking an agreement to implement actions to avoid corruption, impunity, the squandering of money, and inefficiency in the government.

Colombia: Head of Liberal Directorate Meets With VP

PA2704181796 Madrid EFE in Spanish 2240 GMT 25 Apr 96

[FBIS Translated Excerpt] Madrid, 25 Apr (EFE) — The political crisis Colombia is experiencing "cannot be resolved by changing names" but, rather, only by bringing the parties involved closer together, said National Liberal Directorate (DLN) President Emilio Lebolo in Madrid today following a meeting with Humberto de la Calle, vice president and ambassador to Spain.

Lebolo, former DLN President Luis Fernando Jaramillo, and Liberal Senator Luis Guillermo Giraldo met for more than four hours with de la Calle at the Colombian Embassy.

The crisis calls for a rapprochement between President Ernesto Samper and Vice President de la Calle, because "there can be no consensus" if they do not find a formula, Lebolo added. [passage omitted]

The three Liberal Party delegates began a "goodwill tour" today in the Spanish capital. The tour will take them to Rome, Geneva, and Washington in a few days. They will meet with former Presidents Julio Cesar Turbay, Alfonso Lopez Michelsen, and Cesar Gaviria "to try to reach some agreements."

De la Calle gave no statements upon the conclusion of the meeting, but Lebolo said that during the conversation, "we found in him (the vice president) an extraordinary, positive attitude toward any proposal presented to him."

The DLN president said the Liberal delegation brought no specific proposal to de la Calle, adding that their only goal was to "assess his views."

Lebolo said: There is a crisis in Colombia, "and there are certain players. President Samper is one of them, the vice president the other, and the Liberal Party is the valid interlocutor to resolve it."

Lebolo said that de la Calle was "in the best frame of mind for any solution the party may propose" and that they will spend "the necessary time, the less the better," in the talks to seek some solution.

In his opinion, "any unconstitutional way of resolving the crisis would be illogical. Right now it would be a coup d'etat, and that is not in any Colombian's mind."

According to Lebolo, "the former presidents are respectable speakers, and the Liberal Party can achieve no progress without them. It is not a matter of pulling a rabbit out of a hat; it is a matter of analyzing the circumstances to return to Colombia and present to the Liberals the solutions we reach here."

Lebolo abstained from saying whether the Liberal Party delegation he leads has brought a specific message from Samper. In his opinion, "we will achieve nothing if this type of rapprochement is handled like a public debate, and what we are seeking are results rather than role playing."

The talks with de la Calle will continue in Madrid at least during the next two days, before Lebolo, Jaramillo, and Giraldo travel to Rome to meet with former President and Ambassador Julio Cesar Turbay.

Colombia: Nation Seen Seeking Start With 'Clean Slate'

PA2704191096 Santa Fe de Bogota EL ESPECTADOR in Spanish 25 Apr 96 p A2

[Unattributed editorial: "Appeal to the Country"]

[FBIS Translated Text] What the country expects and urgently demands is that the successor to the current president be chosen freely, without foreign pressure, as a result of a national consensus to guarantee a rejection of the past when it comes to moral corruption and the inability to rule. These are the vices that result from an election interfered with by strange powers and the attrition of ideological principles that have formerly justified the nation's daily plebiscite in favor of proper government actions.

Regardless of what may happen—and it must happen for Colombia's sake anyway—the solution to the crisis choking the country cannot be adjusted like a provisional or emergency solution, nor can it be a return to the twisted origins of the recent past that made the current chaos possible.

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It is not a question of having President Samper reach a simoniac agreement with his hypothetical successors, inexplicably exonerated of every charge against him, to guarantee a political armistice allowing him to leave his post while he keeps inside the gendarmes of the accused branch, thus guaranteeing his back will be protected.

What the country is demanding is not an old-style, political pact among the various groups that have led the country to its current state of destitution. What is being sought is a start with a clean slate. The adoption of a program synthesized in four or five points that guarantee, within a broad national pledge, a definite solution to the current crisis and the construction of a new Colombia.

This is not done, nor can it be done, with a perverse avarice for the coins of bureaucratic transactions or by setting a price to the personal appetites for power.

What has been destroyed is the affectionate ties between our rulers and the country, their historical identity, to the point that generalized incredulity and mistrust represent the daily veto of a nation that opposes those who represent the government.

That is why we have been urging the Colombian people to participate actively in the correct solution to the crisis, not the solution of a political group or its messengers or discredited institutions involved as players in the bankruptcy but, rather, the nation's judgmental and deliberating action synthesized in the various groups that have the moral authority to represent the nation's interests.

Without beating around the bush, the solution to the crisis will not be provided by Congress, because it, baffled by the public spirit, lacks the authority to interpret the nation's honest feelings.

It is the nation's responsibility to resume the primary power that has been taken from its hands.

And the economic groups have a lot to say about this, and they must say it, just like the representatives of the country's social interests; the labor unions; the Armed Forces, as guardians of the nation's sovereign integrity; the church, earnest about the country's moral integrity; intellectuals, university students, and artists in the dynamic concept of culture—in sum, the country forgotten by the evil means of political perversion.

This problem is a national one rather than a personal problem.

Colombia: Bomb Injures 1, Causes Damage in Bucaramanga

PA3004035596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 30 April]

[FBIS Translated Text] A bomb exploded in a Bucaramanga neighborhood early this morning. The explosion injured one person, caused considerable damage, and left the area without water because a pipe was damaged.

The bomb exploded at 0430 this morning at the pedestrian bridge in (?Iztapamanga) neighborhood, located in the southeast part of this city. Official reports blamed the National Liberation Army for the explosion. The police are conducting searches throughout the city because more explosions are said to follow.

Colombia: Armed Groups Fuel Mistrust of Segovia People

PA2704033596 Santa Fe de Bogota EL TIEMPO in Spanish 25 Apr 96

[Received via Internet]

[FBIS Translated Text] Medellin — According to fliers dropped from a helicopter a few days prior to the incursion, the massacre of 15 people in Segovia Monday evening marks the start of actions by an armed group calling itself "Dignity for Antioquia."

Similar fliers, which were distributed under doors in eastern Antioquia Department, announce reprisals against those who support armed strikes or who collaborate with guerrillas. Human rights defense organizations fear a repetition of the Segovia events in this region.

Regarding the "Dignity for Antioquia" group, Defense Minister Juan Carlos Esguerra Portocarrero said that "these are speculations. What we know up to now makes one believe that these are self-defense groups, but one could also say they are people's militias."

People living in eastern Antioquia Department learned yesterday from other fliers announcing the creation of a new organization called "Peasant Resistance" to "take over combat activities in view of the government's lack of capacity to halt criminal narcoguerrilla actions."

The "Dignity for Antioquia" fliers and reports over an alleged case of negligence by police and military authorities in Segovia, increased even further the residents' mistrust of the Army and police.

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The people's lack of trust dates back to 11 November 1988, when 43 people were massacred by members of the Army.

The mistrust by the people of Segovia was backed yesterday in a public communique distributed by several nongovernmental organizations (NGO) that work for human rights in Colombia, which states that in order to enter Segovia the alleged paramilitary forces who massacred 15 people, had to pass through the base housing the Bombona Battalion of the Army's 14th Brigade.

In addition, in order to reach El Flay and El Paraiso billiards saloons where the killings took place, the criminals had to pass very close to the police station.

Likewise, when leaving the town the alleged paramilitary forces had to cross in front of the Segovia military base.

According to the NGO communique, the alleged paramilitary forces also had to pass La Trampa military base, in the Cambambolo area and close to the Remedios police station.

Military and police authorities have often said that the harassments and the various foiled guerrilla attacks to the Segovia command had the support of its inhabitants.

According to Colonel Carlos Vargas, commander of the Army's 14th Brigade that tasked with control of the area, the Army's delayed reaction was due to the booby traps placed by an ELN [Army of National Liberation] front in a field that soldiers, camped five minutes away by car, had to cross.

Colombia: Army Captures Cauca Guerrilla Commander

PA2704011696 Madrid EFE in Spanish 0119 GMT 26 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 25 Apr (EFE) — Bernardo Romero Garcia, alleged commander of the Army of National Liberation (ELN) in Cauca Department, was arrested today in the southern region of the country, said military sources in Bogota.

Romero, also known as "Ismael," headed the "Manuel Vasquez Castano" front. The front was name after one of the rebel group founders who had died in a clash many years ago.

Official sources in Bogota said Romero Garcia was arrested by antiextortion and kidnapping units from the Army.

Romero Garcia is charged with more than 20 kidnappings in that region of the country, including the recent abduction of Jose Maya, president of the House of Representatives Peace Commission, as well as for extorting local businesses.

In addition, Romero is charged with the murder of an army official and terrorist actions against buses traveling along the stretch of the Panamerican Highway in the Cauca Department.

Colombia: Proposal Seeks Revision of Article, Security

PA2704172696 Santa Fe de Bogota SEMANA in Spanish 23-30 Apr 96

[Received via Internet]

[FBIS Translated Excerpt] The bloody and unjustified results of the armed strike have awakened such a public outcry against the guerrilla forces that it would be difficult to imagine a new incident that would surpass the indignation aroused by the offensive of the guerrilla forces in the previous week. The savagery of last Monday's FARC [Revolutionary Armed Forces of Colombia] ambush of a group of soldiers returning from guarding the trans-Andean oil pipeline in Puerres, Narino Department, however, did just that. The chilling images of the charred bodies of the 31 soldiers, blown apart and then executed by the 150 guerrilla members without being given an opportunity to defend themselves, added to the dramatic testimonies of the 16 survivors, caused an even greater repudiation of the guerrilla forces's cruelty, and left many Colombians feeling completely impotent regarding the atrocities of the rebel movement.

Faced with the brutality of the FARC and the helpless feeling of the people, the government, which had confronted the terrorists's escalation with controverted silence, finally reacted. After extending for another 90 days the state of internal disturbance decreed after the assassination of Alvaro Gomez Hurtado, the government issued a decree regulating the creation of special public order zones in those areas requiring greater ability by military authorities to counteract the rebels' activities. The government also announced that it is studying other complimentary measures, such as temporarily calling up certain reserve units, but that is not all. Taking advantage of the angry mood against the guerrilla forces, Defense Minister Carlos Esguerra has believed that the time had come to submit to the country the bills a group of congressmen, led by German Vargas Lleras, the general command of the Armed Forces, and the Defense Ministry, has been preparing for five months to reorganize and strengthen the Army forces in certain areas that, according to the proponents, are important to improving the military's ability to fight the rebel movement.

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That is why Senator Vargas Lleras last Wednesday, during a news conference held at the Defense Ministry, presented a package of five bills—some of them were signed jointly by congressman and the Defense Ministry—proposing the revision of Article 220 of the Constitution, a change in the Armed Forces code, a redefinition and reorganization of the security and national defense forces, and a disengagement of national defense workers from administrative careers.

The Prosecutor General's Office Syndrome

Undoubtedly, the bill stirring up the most controversy is the revision of Article 220 of the Constitution, which seeks that disciplinary action and sanctions against members of the Public Force be carried out by the military or police, not by the Prosecutor General's Office, as is currently established. The argument presented by proponents of the bill, which is not signed by the Defense Ministry, is that the reason why the Armed Forces have become less operative is due to the so-called Prosecutor General's Office Syndrome; that is, the fear members of the Armed Forces and the police have that the Prosecutor General's Office will investigate them for eventual transgressions or mistakes they could make while in service. As an officer has explained to SEMANA: "One often prefers to stay still and not risk an operation for fear of being investigated. It is much safer than being daring and then having to confront an investigation that will appear on your record and ruin your career."

Although many civilian sectors recognize that there is a tendency in the Prosecutor General's Office to prejudge policemen and soldiers, taking their guilt for granted when they are accused of some alleged wrongdoings while in service, there is a strong current of opinion that believes that removing external controls from the Armed Forces would be like giving them carte blanche to act as they please. According to Carlos Rodriguez, of the Colombian Lawyers Commission: "If approved, the proposal on the bill would duplicate in the area of regular justice the impunity existing in the military criminal judicial system. We all want an effective Public Force, but we also do not want to feel defenseless in the face of its abuses." [passage omitted]

There are also those, such as former National Security Adviser Armando Botero, who believe an intermediate bill should be found. "The Prosecutor General's Office Syndrome is a reality, but it is also true that soldiers commit atrocities once in a while. We should look for a combination of the military code and an external control that will amend the current deficiencies of the Prosecutor General's Office or a military judicial body that will not depend on the chain of command, for example, the Defense Ministry."

The main obstacle to the approval of the bill is that international organizations are scrutinizing Colombia for human rights violations attributed to the Armed Forces (see insert). A high-ranking government official has told SEMANA that "submitting the bill when we are about to witness the possible rejection of the proposal appointing a UN human rights rapporteur could not be more untimely."

Professional Soldiers

Another bill that has attracted much attention is the Statute of the Professional Soldier, which aims to strengthen the current body of Army volunteers and to duplicate the number of soldiers included in the Army, currently 19,000 soldiers. The proponents argue that it is impossible to expect the Army to be efficient in its fight against the rebel movement with ill-trained soldiers who are in the Army only to fulfill their obligatory military service and quit after receiving some training.

That is why some congressmen propose the establishment of rules and regulations for professional soldiers that will guarantee them an adequate income and benefits that will motivate them to take action, including the possibility of accepting the rewards offered to civilians if they contribute to the capture of much sought after criminals. Soldiers who have completed their obligatory military service who desire to do so could enter this group just as they do now. They may retire when they want or may remain in the Army until they are 35 years of age, after which, if they want, they will have the opportunity to take noncommissioned officer or officer training courses or training courses the Army would be obligated to give them during their last two years in the service to prepare them for a trade before they retire.

Although people versed in the issue agree that the professionalization of soldiers who participate in countering the guerrilla struggle is beneficial and would really contribute to greater effectiveness, the proposal that soldiers may accept rewards has not been well received. Armando Botero believes "that the agents of the state cannot become bounty hunters as if they were civilians. This goes against the very essence of the Public Force by introducing a private incentive to act that is not beneficial to those who are armed by the state."

In this case, the main difficulty in obtaining approval for this project is that creating a force of professional soldiers such as the one that has been proposed would cost about 50 billion pesos a year, funds which the government is not able to assign to the Armed Forces and which it cannot guarantee in the near future.

Another proposal to motivate members of the Armed Forces is aimed at changing the internal regulations

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of the military forces by establishing the possibility of adding military service time for heroic actions in defense of the public order and awarding promotions not only based on seniority but merit.

The Debate

For the military, which has actively participated in the preparation of the bills, these reflect many of their most urgent needs and will undoubtedly help improve the effectiveness of the troops. According to General Ramon Eduardo Niebles, chief of the Armed Forces Joint Staff, "the more tools we have, the shorter the struggle will be either because we win or because the guerrilla groups will truly think about peace when they sit down to negotiate."

Nevertheless, beyond the actual content of the bills, there are those who believe that what is actually being planned right now is the recovery of the autonomy of the Armed Forces in the handling of public order, which the military lost with the appointment of civilian defense ministers, and this would further polarize the armed confrontation. Francisco Leal, a military affairs expert, has told SEMANA: "Reforms such as the ones being proposed will not help resolve the conflict; quite the contrary, they help radicalize the parties even further and prevent any possibility of a solution, because they encourage the escalation of violence." Leal also thinks that what has occurred in recent weeks is barely the beginning of what can be called a guerrilla offensive aimed at using the government's political weakness and the Army's inefficiency to recover the initiative.

The masterminds of the bill believe that the debate under the current situation cannot be limited to whether the Colombian Armed Forces are effective. Senator Vargas Lleras explains: "The fact is that we have no one else to resort to for countering the public order situation; therefore, if we want the Armed Forces to go from the defensive to the offensive, they must be given the instruments to do so, and we must trust them. Only time will tell whether they will betray this trust."

Regardless of the reasons various sectors use to oppose or support the bills, the truth is that the solutions to the conflict seem farther away. One of the few hopes for a negotiation vanished at the end of the week when the Jaime Bateman Cayon Group announced its withdrawal from the talks it had started with the government, practically taking the wind out of the sails of the Samper administration peace policy. The administration will now have to limit itself to trying to counter, at all costs, the offensive launched by the guerrilla groups and preventing acts of savagery such as the one perpetrated against 47 soldiers in Narino.

Human Rights in 1995

According to the annual report published by the U.S. Department of State on human rights in Colombia, the number of human rights violations perpetrated by the government's security forces dropped in 1995, but the general situation in the country is still critical, with institutions such as the police and Armed Forces perpetrating abuses like political and summary deaths, kidnappings, torture, and other kinds of physical abuse.

The 1995 report states that the number of assassinations in Colombia during the first quarter increased from 78 homicides per 100,000 inhabitants, which had been the average for five years, to 83.71 homicides per 100,000 inhabitants. This means 19,450 assassinations were perpetrated during the first half of 1995 and the number of homicides totaled more than 30,000 by the end of the year.

According to the nongovernment organization Justice and Peace, there were 1,288 political assassinations between January and June 1995. Forty-five percent of the identified culprits were members of paramilitary groups, 27.5 percent were guerrilla members, and 24 percent were members of the Armed Forces or state security agencies. Approximately 1,200 kidnappings were reported throughout the year although the authorities believe the figure is higher, because many families do not report them in order to protect the talks for a release. Meanwhile, between January and June, the Office of the People's Ombudsman received 98 reports of disappearances attributed to organized crime, the police, the Armed Forces, paramilitary groups, and guerrilla groups.

According to the report, in 1995 there were more reports of tortures of people arrested by the police and Armed Forces and also cases of torture perpetrated by paramilitary groups. The Attorney General's Office filed charges in May last year against seven Army members, 17 National Police members, and three detectives of the Administrative Department of Security, DAS, for their alleged participation in incidents of torture throughout the country.

Colombia: Delegates Comment on Drug Summit in Mexico

PA2704200296 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 26 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 27 April]

[FBIS Translated Text] The police chiefs of the countries adversely affected by the drug trafficking business

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have spent four days seeking agreements. Now that the drug summit has ended in Mexico, let us see what was left.

The drug summit has ended here in the Mexican capital following three days of discussions by narcotics officials from 42 countries. The mission of the delegates is to take the proposals to their respective countries so their governments can study them. A consensus was reached to attack money laundering, which is considered the evil adversely affecting most Latin American countries:

[Begin Colombian delegate Mario Rene Cifuentes recording] What we did was to promote change in the laws of all countries. In one way or the other, the laws are the ones that should facilitate the fight against drug trafficking. [end recording]

The country that has shown the best results against drug trafficking in 1995 was Colombia:

[Begin General Rosso Jose Serrano Cadena recording] The important thing about the meeting is that it was widely recognized that the drug trafficking problem is not the exclusive problem of one single country but, rather, is caused by many international factors. [end recording]

The truth is that the new strategies to fight the drug trafficking will only be made known in six months when the delegates of the countries will meet once again to reach an agreement.

Colombia: Pardo Cited on Venezuelan Diplomatic Note

PA2704185496 Medellin EL COLOMBIANO in Spanish 25 Apr 96 p A3

[FBIS Translated Text] Santa Fe de Bogota (Colprensa) — The government, through Foreign Minister Rodrigo Pardo, has not ruled out the possibility that certain areas bordering with Venezuela where guerrillas have been active could be declared special public order zones within the framework of the internal disturbance legislation.

Pardo made the announcement after it was learned that Venezuela sent a diplomatic note protesting the killing of National Guard members by Colombian guerrillas along the common border.

"Within the measures adopted under the internal disturbance legislation, there are additional measures to fight the guerrillas," Pardo has said.

"I am not in a position to say whether those measures can be created in those border departments, because the Defense Ministry must make that decision, but that was the spirit with which the internal disturbance legislation was issued," Pardo has said.

Unified Command

Pardo, who was present at the ceremony where an agreement was signed to save Colombian children from joining the guerrillas and suffering the consequences of the war, has denied that the Armed Forces are not properly protecting the border areas.

"We are present along the border. We have advanced in the development of an ambitious medium-term project; that is, the Eastern Unified Command. Unfortunately, we are experiencing a difficult situation due to the size of the border and the totally absurd and irrational guerrilla actions," he has said.

Pardo has said that those episodes that are certainly regrettable and unacceptable should contribute to the consolidation of cooperation instead of creating friction between the two countries.

"What we cannot permit, because it will not benefit Colombia nor Venezuela, is letting the guerrilla attacks deteriorate the relations between both countries; that would hinder the possibilities of conducting a joint effort to fight the various modalities of crime," he said.

Pardo has said that the government of President Ernesto Samper has not yet replied to the Venezuelan diplomatic note.

He has acknowledged that the fact that the guerrillas continue to attack the border is due to the lack of effective actions by both governments.

"If incidents continue along the border it is because the cooperation that exists is not very effective," he has said.

"I understand that there is a legitimate concern over the fact that Colombian guerrillas are causing security problems, even killing members of the Venezuelan National Guard. What I do not believe we should permit is letting those guerrilla actions divide us instead of seeking cooperation between both countries to fight our common enemy," he has said. .

Colombia: Huila Strike Said Affecting Several Departments

PA2704183296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 26 Apr 96

[Report by Orlando Parga and Luz Miriam Quintero; from the "Midday Newscast"]

[FBIS Translated Text] [Announcer Judith Sarmiento] The agrarian strike in Huila Department is adversely affecting several departments in the southwestern part

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of the country. What is the situation caused by the obstruction of roads by peasant groups? We have a report by Orlando Parga from the area where the events are taking place.

[Parga] I am now south of Neiva, Huila Department, in a place known as La Ulloa. We will report from here and will report later from the northern part of the city where we have also heard of problems.

The transportation sector has asked the government to find a solution to the obstruction of the main highways in Huila Department. The transportation sector has asked the authorities to order the lifting of the agrarian strike in view of the disastrous economic losses they are experiencing:

[Begin recording] [Unidentified speaker] I hope they clear the way soon, because we are running out of funds. We have been here for three days, doing nothing. It is a difficult situation for us. We have been here for three days and two nights. We are hurt by this.

[Parga] What kind of load do you carry?

[Speaker] Sugar.

[Parga] Where are you headed?

[Speaker] Pitalito.

[Parga] How much money have you lost?

[Speaker] We do not have an estimate, but we are also having food problems. We did not expect this problem. [end recording]

[Parga] An initial agreement was reached this morning. Truckers in a place known as Bache were allowed to pass their vehicles through for one hour, between 0800 and 0900. At least 100 truckers who are here hope they will be able to pass through between 1600 and 1700.

In the next few minutes, when I reach the northern part of Neiva, about 20 km from here, we will be giving you another report on the situation in Huila Department.

[Sarmiento] Later on we will learn of the economic repercussions, particularly the topic of the Agrarian Fund, which has been in the eye of the storm in the last few days. What have the banking authorities said about the way the agrarian strike is adversely affecting the country's economic and financial situation? We have Luz Miriam Quintero now.

[Quintero] The agrarian strike in Huila could hurt the movement of resources for the entire banking system. It could especially hurt the Agrarian Fund in this important farming area in the country, according to Agrarian Fund President Benjamin Medina Rodriguez:

[Begin Medina recording] I would say one thing at this moment. The agrarian strike is not only adversely affecting the fund but the financial system as well, because we are unable to move resources through the region. [end recording]

[Quintero] In addition, the supply of products such as tomatoes and lemons to the central part of the country has begun to decrease, for example. There also are reports of a decline in the supply of rice to the central part of the country.

Colombia: Agriculture Minister on Peasants' Work Stoppage

PA2604172096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 26 Apr 96

[Telephone interview with Agriculture and Livestock Minister Cecilia Lopez Montano by Caracol News Director Dario Arizmendi in the network's studio in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] The main access roads to Huila Department remain blocked. Peasants are staging a work stoppage as a protest, demanding that the government meet, in a realistic and prompt manner, the series of demands we have talked to you about in "Caracol's 0600 to 0900" newscast.

Good morning, Agriculture and Livestock Minister Cecilia Lopez Montano.

[Lopez] Good morning.

[Arizmendi] We just talked to Senator Rodrigo Villalba who said a great deal of progress was made toward reaching a solution during the meeting held with the interior and finance ministers and you and with representatives and senators from Huila. Only one problem remains. The government is saying it is not holding negotiations until the strike is lifted, and the strikers are saying: We will not lift the strike until the government offers us guarantees. What is happening?

[Lopez] I am very surprised the strike persists. I was there on 22 April and met the four demands they had presented. We had even resolved some of their demands before the strike. One was that the seizures be lifted until [words indistinct] 60 billion pesos. We discussed that matter last week and confirmed it to them. The second was that the Agrarian Bank be opened, but it was opened one week ago, making partial payments. Third, I pledged to obtain the finance minister's endorsement for the agrarian solidarity plan, which will make it possible to ease the debts of small-scale farmers up to 150 billion pesos. Since the night of 23 April, the finance minister....

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[pauses] that was worked out. On the assessment, I did what I could; that is, guaranteed that we will forward their concerns to organizations that make the decisions; that is as far as we can go. First, this was agreed on, and yet the strike continued. We met with lawmakers all day yesterday, discussing a document on the points on which we agree. We finished our talks with an accord, but the strike continues. The question is why does the strike continue if we met all their demands?

[Arizmendi] Could the governor or the Congress vice president be behind this action, as some have said, or could it be the guerrillas, as the army commander has said?

[Lopez] We were very concerned, because if you ask me what the reasons are to continue the strike, I would say there are none. What is obvious—and the president has said it; in fact, he told this to the governor on 22 April—is that we are not going to sign this accord document unless the strike is lifted.

First of all, we already reached agreements on their demands. I spent eight hours holding negotiations with them. In fact, we reached a prior accord. The finance minister reviewed it. The delay in the decision by the finance minister was prompted by a very unique situation. A supposed letter turned up in which the finance minister reportedly endorsed the lawmakers' bill as it stood, but no such letter exists. The finance minister never signed it; that hampered us [words indistinct] the fact is that the publication of a letter the minister never signed and that came from the Finance Ministry [words indistinct] by Huila news media delayed the discussion.

The finance and interior ministers and I agreed afterward that this decision falls in line with the president's objective. He wants to create a fund to ease the debt of small-scale farmers who are in a crisis. To continue insisting makes no sense, and one begins to wonder whether there are various reasons, and this problem into one of public order and not an agrarian problem.

[Unidentified reporter] Political reasons, for instance?

[Lopez] Political reasons, for instance, [words indistinct] that seem very serious to me.

I went to my office last night after hours and hours of negotiations and found in my appointment book several calls from various political sectors of the country threatening me with strikes; so I do want to report this, because I find it [word indistinct] we have been working as never before.

I believe we are giving a stimulus to agriculture within our limitations. The relief we are proposing is gigantic. You have heard the proposal regarding the agrarian group. The Agrarian Bank has taken off in a very interesting and healthy way. We have made more efforts [words indistinct], but it turns out now that we are under the permanent threat that if we do not please certain political sectors, they will go on strike.

I have a list of three strikes going on, when all we have done is work day and night to resolve the problems we have inherited.

[Arizmendi] Can you name the political groups that are blackmailing you?

[Lopez] Rather than political movements, I think they are [words indistinct] I do not dare, because there will be a lesson when this is over. If political interests are indeed behind this, we will know it today, because peasants must know, given that we have announced it in all the media, that their demands were met before the strike and not after. The only thing the government needs is that they lift the strike, because it is determined to support them. If this does not lead to the end of the strike it is because there are political interests.

I hope this is a lesson to all sectors that they should not blackmail us, because neither banana growers nor farm owners.... [pauses] This is the first time we have a plan to recover the farming sector. How can they threaten us with stoppages? This time is the first we are working in a very active manner with so many and complex sectors, such as the banana growers. Why should they threaten us with strikes? This habit cannot continue, because the government will go mad and will not provide the important solutions, and peasants will be used.

Ecuador

Ecuador: Foreign Minister on Possible Accord With Peru

PY3004022396 Quito Voz de Los Andes in Spanish 2300 GMT 29 Apr 96

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco, upon his return from the United States, where he traveled to report on the peace process with Peru, said he hoped the Ecuador-Peru Military Observers Mission [MOMEP] will continue its surveillance of the binational border zone.

Leoro Franco said he hoped the MOMEP mission will continue to be carried out as it has thus far following the war between Ecuador and Peru during January and February 1995.

Leoro Franco, who remained in the United States until 28 April to inform the U.S. State Department about the peace process, explained that the U.S. State Department, given the U.S. capacity as guarantor country, wants

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to continue its cooperation. He also explained that during his visit to the United States, he reviewed and assessed the entire peace process and what remains to be done under the current administration that will hand over power on 10 August after the general elections scheduled for May.

He said that Ecuador, through its embassy in Washington, insists on the need to sign a neighborhood agreement with Peru, referring to a still unapproved project that would make it possible to step up relations and generate greater confidence between the two countries.

The Ecuadoran foreign minister pointed out the need for Ecuador and Peru to continue channeling the relationship in every field, that is, in the commercial, education, and health fields, which would be contemplated in the aforementioned neighborhood agreement.

Ecuador: 'Optimism' in Meeting With Peru Commander Noted

PY3004005996 Quito Voz de Los Andes in Spanish 2300 GMT 29 Apr 96

[FBIS Translated Text] The military meeting between Ecuador and Peru ended today in Shell Mera, in the Amazon region, in the midst of great optimism and expectations.

Generals Carlos Calle, of the Fourth Ecuadoran Military Zone, and Luis Perez Documet, of the Sixth Amazon Region in Peru, met today at the Shell Mera military base, where they reached specific agreements within the framework of the relaxation process in which the authorities of the two countries are involved.

The high-ranking Peruvian official arrived after 0930 accompanied by five military officers and their wives; they exchanged presents with their counterparts of the Pastaza Brigade.

Before the meeting, Perez Document reiterated that his country has loyally complied with the terms of the agreements signed by the foreign ministers of the two countries and that this fact is stated in the acts of the Ecuador-Peru Military Observers Mission [MOMEP]. Perez Document made this comment in view of the charges that 120 soldiers have still not been removed from the Peruvian PV2 watch post in the demilitarized zone under the MOMEP's surveillance.

In the meantime, MOMEP coordinator General Francisco Albuquerque commented that never before has definitive peace between Ecuador and Peru been so close.

The meeting ended at noon but the conclusions reached were not disclosed. However, statements made by the officials suggested that there is willingness to check the border markers and hold future meetings between officers of the two Armed Forces.

Gen. Carlos Calle said that during the next few days, the commanders of Ecuador and Peru will learn the contents of the minutes of this meeting, allowing for more specific agreements that will be the pillars of a lasting peace.

The town of Shell Mera, in the Ecuadoran Amazon region, today was the site of a new military meeting with Peru designed to step up bilateral confidence and security measures in the military field.

The meeting was held nine days after a similar meeting in Bagua, Peru, and in compliance with the desire for rapprochement that has characterized the recent meetings between high-ranking military officers Gen. Jorge Ortega, of Ecuador, and Gen. Nicolas Hermoza, of Peru.

MOMEP coordinator, Brazilian Gen. Francisco de Albuquerque witnessed this new meeting between Generals Carlos Calle, of the Ecuadoran Army, and Luis Perez Documet, of the Peruvian Army.

Gen. Calle is commander of the Fourth Division of the Ecuadoran Army, stationed in Pastaza. Gen. Perez Documet is commander of the Jungle Infantry Unit in the Sixth Military Region. The two are commanders in contiguous jungle regions separated by the border line.

On Sunday, Ecuadoran President Sixto Duran-Ballen said that dialogue with Peru is making good progress.

Duran-Ballen said that peace talks are on the right path, but gave no further details. He added that in two or three weeks, the establishment and approval of procedures for the third phase of the MOMEP will be ready.

Gen. Jorge Ortega, commander of the Armed Forces Joint Command, also declared that the peace process is not paralyzed, and that it is hoped Peru will fulfill the demilitarization process on the border in compliance with the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration.

Ecuador: President Says Talks With Peru on 'Right Track'

PY2904143096 Madrid EFE in Spanish 0212 GMT 28 Apr 96

[FBIS Translated Text] Quito, 28 Apr (EFE) — Ecuadoran President Sixto Duran-Ballen said on 28 April that the peace talks about the border disagreements with Peru "are moving on the right track," but declined to give further details.

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Duran-Ballen said the establishment of procedures for a third period of the Ecuador-Peru Military Observers' Mission (MOMEP) could be ready in two or three weeks. The MOMEP is "in situ," watching the fulfillment of the Ecuador-Peru peace agreements.

MOMEP comprises officers from Argentina, Brazil, Chile, and the United States. They are known as the guarantor countries because in 1942 they witnessed the signing of the peace document called the Rio de Janeiro Protocol, which established new borders between the rival countries.

The same four countries acted effectively in 1995 to prevent a military conflict between Ecuador and Peru, between 26 January and 28 February, from becoming a total war.

Ecuador and Peru confronted each other due to disagreements over a piece of land in the Cenepa River valley, 350 km south of Quito, where there are no markers on the binational border.

Ecuador: Analysis of Peace Process With Peru Proposed

PY2904143296 Madrid EFE in Spanish
1755 GMT 27 Apr 96

[FBIS Translated Text] Quito, 27 Apr (EFE) — Acting Ecuadoran Foreign Minister Marcelo Fernandez de Cordova has urged Ecuadoreans to "look at the positive side" of the peace process between Ecuador and Peru, which seeks to overcome disagreements following the armed conflict between 26 January and 28 February 1995.

Fernandez de Cordova, cited by the newspaper HOY, said he favors analyzing "the (peace) process jointly" and urged his fellow citizens "to look at the positive side of bilateral relations" between Ecuadoreans and Peruvians.

Asked about Ecuadoran accusations against Peru on the purchase of fighter planes and the nonfulfillment of the demobilization process agreed upon with Ecuador, he said they are "just that, accusations, which must be confirmed."

The acting foreign minister said the two countries cannot yet discuss Point 6 of the Itamaraty [Brazilian Foreign Ministry headquarters] Declaration, the peace document between Ecuador and Peru signed on 17 February 1995, which seeks a final solution to the pending territorial problems.

"We have not yet started to discus Point 6," Fernandez de Cordova said, adding that Ecuadoran Foreign Minister Galo Leoro and Peruvian Foreign Minister Francisco Tudela are trying to conclude the period of procedures in order to begin discussions on Point 6.

Ecuador: Board Renegotiating Argentine Gun Purchase

PY2904150596 Madrid EFE in Spanish
2232 GMT 26 Apr 96

[FBIS Translated Excerpt] Manta, Ecuador, 26 Apr (EFE) — General Jorge Ortega, Ecuadoran Armed Forces Joint Command chief, said today the Ecuadoran National Defense Board is "renegotiating" an Argentine gun shipment that was not completed during the war with Peru.

Ortega said: "The National Defense Board is now renegotiating the contract with the person with whom it signed the contract; Mr. Cesar Torres. Roberto Sassen is the representative of Mr. Torres."

Answering journalists about the alleged delivery of obsolete guns manufactured by Argentina's Military Industries, Ortega said: "We are renegotiating because not all the articles and demands of the contract were met."

Ortega urged Ecuadoreans to await the results of the negotiations in which "the Armed Forces are essentially defending the interests of the institution and those of the entire nation."

Asked about the quality of the guns that arrived in Ecuador and which according to press reports were "dangerously obsolete," Gen. Ortega declined to provide any details until the renegotiation is complete.

He said: "I would rather not elaborate until the renegotiation is complete."

The Ecuadoran Armed Forces are renegotiating a contract through which they purchased 8,000 rifles and their respective ammunition during the war Ecuador waged against Peru in January-February 1995.

In remarks to EFE, Ortega insisted that the Argentine Government was not involved in the negotiations because "the contract was negotiated by the Ecuadoran National Defense Board with a private company." [passage omitted]

Ecuador: 'Direct' Talks for Argentine Arms Denied

PY2604173896 Madrid EFE in Spanish
0144 GMT 25 Apr 96

[FBIS Translated Text] Quito, 25 Apr (EFE) — General Jorge Ortega, chief of the Ecuadoran Joint Command, today asserted that Ecuadoran officials did not engage

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in "direct" negotiations with either the Argentine Government or its Armed Forces for the purchase of guns during the war with Peru at the beginning of 1995.

Alluding to the shipment to Ecuador during the war, which was allegedly part of a sale of 8,000 Argentine FAL rifles and their respective ammunition, Gen. Ortega said: "There were no direct government-to-government negotiations, nor were there negotiations between the Ecuadoran and Argentine Armed Forces."

The guns arrived in Ecuador during the war with Peru which lasted from 26 January to 28 February 1995 when both countries were affected by an arms embargo.

Ortega stated today: "We requested arms based on certain technical specifications" and "suppliers and intermediaries" were in charge of acquiring and delivering them.

Ortega said: "We were in the middle of a conflict and it was essential for us to acquire certain arms to be able to succeed in our mission."

He added that Ecuadoran businessman Roberto Sassen Van Elsloo, chairman of the Prodefensa company and "representative of Cesar Torres," negotiated the arms transaction. Ortega did not supply any information about Cesar Torres.

Sassen Van Elsloo confirmed yesterday that he directly contacted the Argentine Military Industries (FFMM) company to purchase these guns and that he also negotiated the transaction with Hayton Trade, FFMM's legal representative. He explained that the total shipment never arrived because of the scandal that ensued.

Gen. Ortega said Sassen Van Elsloo is "talking to the commission appointed by the National Defense Board to renegotiate the contract" for the purchase of the guns, about 30 percent of which did not arrive in Ecuador.

Argentine Interior Minister Carlos Corach yesterday denied the Argentine Government sold the guns and explained that an Argentine state company sold them to an Uruguayan company which delivered them to Venezuela.

Uruguayan Defense Minister Raul Iturria said today that Uruguay had "nothing to do" with the shipment of Argentine guns to Ecuador during the war with Peru at the start of 1995.

Ecuador: Peru Said To Receive Russian Combat Planes in Jun

PY2604190196 Madrid EFE in Spanish 2323 GMT 25 Apr 96

[FBIS Translated Text] Quito, 25 Apr (EFE) — Ecuadoran Defense Minister Alfonso Alarcon, who is a retired general, said today that 12 MiG-29 combat planes will arrive in Peru in June. He added that these planes are allegedly part of a lot of 44 Peru is acquiring from Russia.

Although he did not identify the source, Alarcon said: "It is known that 12 MiG-29 planes will arrive in Peru in June."

He said this report should be verified and Ecuadoreans "should try to confirm this report. The Peruvian Government has neither denied nor confirmed this report, so I believe this (acquisition) is being negotiated."

Alarcon said it is "only logical" for us to "express our concern to the Guarantor Countries and ask them to verify and ascertain the acquisition of this equipment" by Peru.

Alarcon added: "Not only us (the military) but all Ecuadorans must be alert to this acquisition which will increase the imbalance of our two countries."

Peruvian Ambassador to Quito Hugo Palma categorically denied reports on the purchase of guns and planes.

Palma said the planes purchase "seems to be part of a weekly report on the purchase of guns; a few days ago there were reports of the purchase of submarines and 500 tanks." He added: "Peru is allegedly spending not millions but billions of dollars in arms purchases." Palma stated that these reports "are senseless."

He added: "These are nothing but groundless press reports."

In the last few months, Ecuador and Peru, which are reportedly involved in an arms race, have exchanged charges about alleged huge purchases of arms.

A few days ago, the Ecuadoran media reported that Peru is allegedly in the process of acquiring 44 Russian combat planes. This report has been apparently confirmed today by the defense minister.

Paraguay

Paraguay: Stroessner's Relatives, Officials Cheer Argana

PY2904172696 Asuncion ABC COLOR in Spanish 29 Apr 96 p 4

[FBIS Translated Text] It was almost as if Dictator Alfredo Stroessner was present at the Colorado Party headquarters on the night of 28 April, celebrating the victory of Luis Maria Argana. In fact, the former president was the only one missing, as well-known officials under Stroessner's regime and close relatives

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were all together acclaiming, in one voice, the leader of the Colorado Reconciliation Movement.

This National Republican Association faction has never hidden its closeness to the elderly dictator, who is now exiled in Brasilia.

Gustavo Alfredo Stroessner Dominguez, the former head of state's grandson, Hiran Delgado Von Leppel, Jose Alberto Planas, Martin Chiola, Oscar Zacarias Cubilla, and other well-known figures of recent past history cheered Argana, who is the new "sole leader."

It was possible to see flags and stickers bearing Stroessner's name, and one man even carried a photograph of the dictator stuck to his chest. Similar manifestations were observed in previous rallies in support of Argana, at which even the polkas composed in honor of Stroessner were played.

Argana's extreme nationalism, his opposition to Paraguay's adhesion to Mercosur [Southern Cone Common Market], and his politics led those who feel nostalgia for the dictatorship to nearly pledge unconditional support the Colorado Reconciliation Movement leader.

Rumors were circulating among the groups of people at the party headquarters yesterday that an important monetary contribution was sent to Argana from Brasilia to help organize the final details for polling-day. This, however, was flatly denied by spokesmen of Argana's faction.

Paraguay: Leader in Colorado Party Elections Urges Unity

PY2904164896 Asuncion ABC COLOR in Spanish 29 Apr 96 p 4

[FBIS Translated Text] Arriving at the Colorado Party [National Republican Association, ANR] headquarters at about 2200, Luis Maria Argana, leader of the Colorado Reconciliation Movement — in a fully conciliatory tone — called upon all ANR factions to unite and be reconciled.

Prior to this, the preliminary speakers and Deputy Walter Bower had "prepared the ground" for Argana by constantly repeating that the new Colorado Party Executive Board "will wipe the slate clean."

Argana told the crowd that acclaimed him that the victory gained by his faction should lead to a "deep reflection" on how to unite the party.

Argana said: "The time is approaching when we will bring about reconciliation. The Executive Board that is formed today will be a true Colorado board, which will enable all Colorado leaders to embrace each other." Argana received an enthusiastic ovation from his followers, the same ones who, only some weeks ago, cheered the Colorado Reconciliation Movement leader when he lashed out at his rivals.

Later in his speech, the virtual chairman of the ANR Executive Board, asserted that only with the union of all Colorado Party factions, will it be possible to calmly face municipal and national elections.

Argana underscored: "We need the unity of the Colorado Party. We must unite if we want to win the municipal and national elections. Now the people have announced their verdict, we must enhance brotherhood and reconciliation; we must turn over a new leaf and leave old confrontations behind."

Argana arrived at the Colorado Party Executive Board before the electoral board announced the final results of the elections. Only a little more than 20,000 votes had been tallied when he addressed his followers. Nevertheless, according to his aides, Argana decided to go to the party headquarters to pressurize the electoral board into announcing, or at least releasing an official report, that the results of the exit polls were undisputable.

Argana praised the participation of the Colorado Party members, who went to the polling stations to cast their vote despite adverse weather conditions. Argana contended that rather than dampening the enthusiasm of party members, the successive delays in the party elections fanned it and therefore, Colorados resorted to any means to cast their vote.

Argana stressed the civic vocation of his fellow party-members as no incidents were reported on polling-day, with some exceptions.

Concluding, Argana pointed out: "The Colorado people proved their extraordinary and incredible civic vocation since there have been practically no regrettable incidents. This proves to those who accuse our party of being unwilling to accept democratic changes that we do have a civic culture."

Paraguay: Opposition Leaders Applaud Colorado Elections

PY2904192396 Asuncion ABC COLOR in Spanish 29 Apr 96 p 11

[FBIS Translated Text] Opposition leaders applauded, on 28 April, the Colorado Party elections, particularly the impressive turn-out despite heavy rain throughout the country. Commenting on [Luis Maria] Argana's victory, Guillermo Caballero Vargas, outgoing president of the National Encounter Alliance [AEN], said Argana won the election thanks to a punitive vote against the

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present administration. Domingo Laino, Authentic Radical Liberal Party [PLRA] president, was impressed by the behavior of the electorate. Victor Sanchez Villagra, Febrerista Revolutionary Party [PRF] president, noted Argana's victory confirms the backing he has among Colorado Party members.

Laino said he was impressed with the behavior of the Colorado Party electorate at yesterday's polls, because a massive crowd turned out to vote despite the wet day, and no problems whatsoever were detected. The PLRA president said: "I have not heard of any beatings, blows, or pushes; the elections proceeded in a civilized manner."

Laino declared: "I think that by electing its authorities with transparency and without incidents, the Colorado Party will greatly cooperate with the project put forward by the PLRA — and endorsed by the AEN, the PRF, and the Christian Democratic Party — namely to further policies toward democratic stability so as to prevent a disruption of the constitutional order and to deepen the necessary reforms."

In response to a question about his opinion of Argana's victory, Laino said: "If Argana is the winner, I offer my congratulations. Now, if [Vice President Angel Roberto] Seifart is the winner, I will congratulate him." The PLRA president then applauded the fact that the Colorado Party elections were held even if "there were messengers of bad omen who balefully predicted that the elections would never be held."

Caballero Vargas stated: "I would like to personally congratulate the two major contenders in these elections, namely, Dr. Argana and Dr. Seifart, for their good election campaigns. I earnestly hope the democratization of the Colorado Party will contribute to the consolidation of democracy in our country."

Commenting on Argana's victory, Caballero Vargas said it "reflects Colorado Party members' disagreement with the mistakes by the Wasmosy administration."

In reply to a question whether the new chairman of the Colorado Party Executive Board will continue the policy of furthering dialogue between the Colorado Party and the opposition, Caballero Vargas said that, in his view, dialogue should not be hampered.

Caballero Vargas added: "I think Argana's victory should not hinder the positive dialogue between the opposition and the Colorado Party, which — according to what we saw today — is gearing up for living in democracy."

Sanchez Villagra underscored that Argana's victory at the polls is but a confirmation of the enormous backing he has within the Colorado Party. The PRF president further stated that the triumph by Argana is of utmost importance because many of his ideas, "like his opposition to the privatization of state-run companies, are in agreement with the PRF's official stance."

Sanchez Villagra warned that one should be keep one's eyes open because "many followers of [former dictator Alfredo] Stroessner support Dr. Argana and it is common knowledge that Strossnerism is something we all wish will never be repeated in our Republic."

"Lastly, the holding of the Colorado Party elections enables us to view with optimism the future of our country, since the Colorado Party problem disrupted the normal development of the Paraguayan institutions, [no closing quotation-marks as published] he said.

Jose Dario Cristaldo, a Christian Democratic Party leader, said that it all led one to conclude that Argana would triumph over his rivals. He said: "If there were no electoral improprieties, as was the case on 27 December 1992. I think the absolute majority he will have on the executive board will enable him to assume a strong, firm leadership in the management of his party."

Cristaldo added: "We hope the Colorado Party assumes its role — which must be central in this transition to democracy — with responsibility. I hope Dr. Argana will act with intelligence and restraint to support and bring this democratization process to a successful conclusion."

Paraguay: Cooperation Between Argana, Wasmosy Expected

PY2904185696 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1615 GMT 29 Apr 96

[Interview with Senator Carlos Podesta and Interior Minister Diogenes Martinez by Cerro Cora reporter Andres Caballero at Government House — live]

[FBIS Translated Text] [Caballero] Colorado Party Senator Carlos Podesta [former interior minister] said he was confident that the situation will get much better now. He said President Juan Carlos Wasmosy is happy with yesterday's elections, has acknowledged the victory of Luis Maria Argana, and is hopeful that relations between the executive branch and new Colorado Party executive board president will be good.

[Podesta] Many Colorado Party members voted yesterday despite difficulties stemming from inclement weather, there is an obvious winner, and the right thing to do now is to acknowledge the victory of the winner. The minority, which means us [Podesta belong's to

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Seifart's United Colorado Faction], should cooperate if asked.

[Caballero] Is President Wasmosy not worried that Argana's opposition to the administration will worsen when he becomes the president of the Colorado Party.

[Podesta] The president is very aware that the party now has a new president with whom he will surely maintain a fluent dialogue. He is not at all worried about what you just said.

[Caballero] Senator Podesta also said that the situation is different when one is racing for a given position, meaning the presidency of the Colorado Party Executive Board. He is confident Argana will now change his attitude and start negotiating with the executive branch with a view to his bid for the presidency of the Republic in 1998.

Interior Minister Diogenes Martinez also expressed his view of Luis Maria Argana's victory and about what may happen from now on.

[Martinez] I am very optimistic. I believe the administration will continue to steer the nation, and the Colorado Party will never refuse to cooperate with the administration because it is the duty of the Colorado Party to support it.

[Caballero] Will the rivalry between Argana and Wasmosy now end?

[Martinez] I believe the tone of Argana's speeches of late helps create a very favorable atmosphere for the administration and the Colorado Party to work together. In any case, the administration will never break away from the Colorado Party people who elected it.

[Caballero] Argana advocated the unity of the Colorado Party on 28 April, can it be done?

[Martinez] That is our great hope; our administration's and President Wasmosy's. I believe we will continue to struggle for the unity of our party.

[Caballero] Are Argana's doors open to President Wasmosy?

[Martinez] That is something you should ask Argana. I believe, however, that this possibility has been mentioned very clearly.

[Caballero] What about the president?

[Martinez] The president's doors have always been open to all Colorado Party leaders and to all Colorado Party members.

[Caballero] Is the administration not worried that Argana now has the power of the Colorado Party, and could further jeopardize the administration's government plan.

[Martinez] No. Quite the opposite. The administration feels Argana's remarks offering his cooperation were very promising.

[Caballero] Other government officials agreed with Podesta and Martinez that the situation will change now, and that the administration and the Colorado Party Executive Board will work together to pull the country from its current situation with the help, of course, of the opposition parties.

Paraguay: Argana Leads in Colorado Party Elections

PY2904175596 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1615 GMT 29 Apr 96

[Report by Oscar Escobar from Colorado Party headquarters in Asuncion - live]

[FBIS Translated Excerpt] The Colorado Party Electoral Court has already counted 51 percent of the votes cast on 28 April. The votes from 155 party precincts have been counted. There are still 158 precincts to go. This information was released by the electoral court 15 minutes ago.

The report states that contenders for the presidency of the Colorado Party now stand as follows:

Luis Maria Argana	141,053 votes	53.56 percent
Angel Roberto Seifart	87,773 votes	36.16 percent
Blas N. Riquelme	18,818 votes	[no data]
Atilio R. Fernandez	1,902 votes	[no data]

[Begin Pena recording] [passage omitted] We expect to have nearly 80 percent of the votes counted late this afternoon which will allow us to proclaim the new president of the Colorado Party and install him, so he can start to reorganize the executive board and the various committees. [passage omitted]

I had the pleasure of talking with President Juan Carlos Wasmosy this morning and he promised to be here at 2100 [0100 GMT] to attend the proclamation ceremony which is very important for our country because it will mark the beginning of our party's resurgence. [passage omitted] [end recording]

I reiterate that at about 1800 the electoral court expects to have counted over 70 percent of the votes and

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Luis Maria Argana will take over as president of the Colorado Party at 2100.

Paraguay: Party Election Update Shows Argana in Front

PY2904221196 Asuncion Radio Nanduti in Spanish 2135 GMT 29 Apr 96

[FBIS Translated Text] The giant screen at the electoral court has updated its figures. Luis Maria Argana continues leading with 55.8 percent of the total. Angel Roberto Seifart is second with 34.86 percent, while Atilio R. Fernandez has 0.76 percent and Blas N. Riquelme 7.66 percent.

The figures represent a total of 3,233 voting stations in 212 Colorado Party precincts. This is what the giant screen of the Colorado Party electoral court is showing right now.

Paraguay: Colorado Party, Opposition Leaders on Elections

PY3004040596 Asuncion RPC Television Network in Spanish 0000 GMT 30 Apr 96

[FBIS Translated Excerpt] [Passage omitted] The Colorado Reconciliation Movement trustee [Marciano Torales] ruled out any possibility of objecting to the ANR [National Republican Party — Colorado Party] internal elections.

In the opinion of Colorado Reconciliation Movement trustee Marciano Torales, there are no longer any possibilities of objecting to the results of the ANR internal elections, as initially proposed by the Democratic Coloradoism [Codem] faction [led by Blas N. Riquelme]. He added that the Codem would indulge in a terrible inconsistency by promoting any type of legal action.

[Begin Torales recording] It would represent a terrible inconsistency by the Codem movement, led by Mr. Blas N. Riquelme, as Mr. Riquelme visited the Colorado Party headquarters last night, headquarters where Dr. Luis Maria Argana was present, and recognized Argana's victory. Riquelme congratulated Argana for the victory achieved at the ballot boxes yesterday.

Therefore, the Codem has already clearly expressed its stance, recognizing the validity of these elections and even congratulating the winning candidate. [end recording]

President Wasmosy's inner-circle assistants have emphasized that, following Argana's victory, the relationship between the Colorado Party executive board and the executive branch will not deteriorate.

Interior Minister Diogenes Martinez emphasized that, following Dr. Luis Maria Argana's victory in the Colorado Party internal elections, absolutely nothing would be changed in the government's policy.

[Begin recording] [Martinez] The government will continue to steer our country and the [Colorado] Party will never be reluctant to cooperate, as it represents a duty for the entire Colorado Party constituency. [passage omitted] [end recording]

While praising the normal development of the Colorado Party internal elections, opposition congressmen raised the necessity of forging alliances with an eye to future elections in our country.

In reference to Dr. Luis Maria Argana's overwhelming victory, congressmen from various parties pointed out that, as never before, it is necessary for the opposition to achieve an alliance.

[Begin recording] [Unidentified congressman] I believe it is absolutely essential to seek the paths, all the paths and self-denials, to confront a very active Colorado Party, with a 55- to 60-percent participation yesterday. We can say it is a party that is alive, that has been mobilized, that reacts, and that will be a tough contender in 1998.

[Deputy Blas Llano] It is time for the current leaders of the Authentic Radical Liberal Party, my party, and the National Encounter party to stop fooling themselves with petty issues and really begin to discuss a serious and formal alliance.

[Deputy Juan Carlos Ramirez Montalbetti] With or without the Colorado Party's unity, an opposition alliance represents an imperative. It is necessary to consider such an alliance at all times, as the [Colorado Party] figures are fairly expressive.

[Senator Basilio Nikiphoroff] But not only that; now it is already necessary to modestly talk about a democratic alliance for 1998 in an attempt to join efforts and basically give leeway, with the goal of actually achieving a multiparty government. I am talking about a multiparty government including the Colorado Party sectors that are unhappy about this situation of corruption and perpetuation [continuismo] in Paraguay. [end recording]

Disparate opinions prevail at the National Encounter with regard to the ANR elections, which were clearly won by the Argana faction.

Dr. Guillermo Caballero Vargas, a National Encounter leader, praised the civic spirit and the high level of participation of the Colorado Party members in their internal elections. In light of the ruling party's huge

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constituency, he pointed out that it is necessary for the opposition to prioritize the review of possible alliances, with an eye to the 1998 presidential elections.

[Begin Caballero Vargas recording] We eventually will have to defeat a formidable force in the 1998 elections. The Colorado Party represents a respectable contender. It cannot be underestimated, and the figures for the Colorado Party internal elections now give us an idea of the size of this party's constituency. [end recording]

Carlos Filizzola, who was installed as National Encounter president, played down the significance of the turn-out of Colorado Party members yesterday. [passage omitted]

Paraguay: Argana Addresses Colorado Party Gathering

PY3004033696 Asuncion RPC Television Network in Spanish 0119 GMT 30 Apr 96

[Speech by Luis Maria Argana, leading in the unofficial tallying of votes for Colorado Party Executive Board chairman, at Colorado Party headquarters in Asuncion — live]

[FBIS Translated Text] [Crowd chants: You can feel it; you can feel it! Argana for president!] Thank you very much. Mr. President of the Republic, Engineer Juan Carlos Wasmosy [applause]; Mr. President and members of the Colorado Party Electoral Board; dear fellow party men and women; Colorado Party youth [applause]: A group of fellow partisans maintained that the much desired and longed for unity of the Colorado Party would only be possible through free, clear, and honest elections. [applause] For this, we undoubtedly needed a fair, honorable Electoral Board that was capable of acknowledging the sovereign expression of the people's vote.

Thus, a group of dear fellow party men, concerned over the fate of our party, sought the way of having a truly honest, honorable, and trustworthy Electoral Board. Many of us Colorado Party members who are here today, as well as those of us who were candidates during these recent elections, were involved in this quest.

In order to be fair, I want to say that this election was successful thanks to the cooperation and enthusiasm expressed by President Wasmosy, for whom I request strong applause. [applause]

Thus, fellow partisans, the entire Colorado people saw some hope of finding our democratic path through the ballot boxes, where we could freely express our choice, and with an Electoral Board elected with an objective, responsible attitude free of any sectarian or mean interests. We thus chose an Electoral Board that honors the democratic history of the Colorado Party, with members of an illustrious ancestry [applause], not only because of their biological background, but also due to their democratic behavior at the service of the country and the Colorado Party for many years. The members of that Electoral Board who are seated at the rostrum of honor of this historical patio of the Colorado Party deserve the gratitude of the Colorado people. [applause]

Thus, fellow party members, after the readjustments required for gradually overcoming small crises, which had become worse, perhaps unwillingly and unexpectedly, we gradually arrived at this historic moment: Yesterday's elections, elections in which the Colorado Party unity was sealed. [applause] But we achieved a real, and not fictitious, unity. This unity stemmed precisely from the deepest roots of democracy, that is, the vote cast freely by the people.

Therefore, I believe this date — 28 April — will go down in the history of our party. A unity that is real because, through the D'Hondt system [proportional representation system], each one of us who participated in these elections will be involved in institutionalizing the party and in debating democratically in this headquarters the great national problems that are concerning all the Paraguayan people. [applause, cheers]

This party Executive Board, which was born yesterday and is being installed today with the presence of the national and party officials, and the ratification of the party's Electoral Court, has the characteristic that was born as the expression of the people's sovereign will, people who want to participate in the government of the Republic, not to obtain personal gain or seek positions, but to cooperate, through the voice of the people, with a government that we want to assume responsibility for saving this Republic, which is now in a difficult situation. [applause, cheers]

We fully trust that the executive branch will be able to accept the offer of cooperation of the Colorado Party. [applause] We believe that the voice of the party will be heard and that we will also hear the voice of the executive branch in order to make the dream of a great, prosperouss, and happy fatherland possible. [applause]

We are moved by the highest and noble feelings. The time has come for the much desired peace in the party; the time has come in which we must overcome the division that was, with hate, breaking up the unity of the Colorado Party. [applause] And today, which is an unforgettable day in the life of our party, it will be perhaps the beginning of a great friendship among government and party to make possible the dreams and

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hopes of the our dear Paraguayan people. [applause, cheers, shouts]

I can assure you that in this long pilgrimage through our land, I have learned to know our people. At one time, I thought I owned the truth; then I was able to learn the pains, hopes, and injustices affecting our people. [applause] This is why, fellow party members, I believe that the Paraguayan people have a legitimate right to react against injustice. However, I also believe that under no circumstance should we stir up the fire of violence, but rather seek the culture of reconciliation of all Colorado Party members, as we are doing here tonight. [applause, cheers]

Fellow party members, the divisions of the party during the elections should come to an end tonight and we should now speak the single language of all Colorado Party members. All the Colorados who are members of the party Executive Board must govern together because we have ahead of us a great challenge for democracy. We have the great challenge of the upcoming municipal elections, and the challenge of the 1998 general elections. And I will assert, no matter who it may affect, that the united Colorado Party is invincible. [applause, cheers]

I would also like to say that I am emerging strengthened from this struggle because I have gained thousands and thousands of new friends, all of them Colorados, humble people, peasants, who are our followers in the struggle for democracy and freedom, which are now enjoyed by the Paraguayan people and the Colorado Party members. [applause]

I would also like to conclude by saying to those party members, brothers of this cause who may have circumstantially confronted each other, that I am giving you a great embrace as a Colorado. [applause, cheers] And if there are still some minor disagreements, they will be overcome, and we will soon have the authentic and real unity of the Colorado Party that we are proclaiming tonight. Thank you very much, fellow party members. [applause, cheers]

Paraguay: Wasmosy Promises Cooperation With Argana

PY3004042196 Asuncion RPC Television Network in Spanish 0145 GMT 30 Apr 96

[Speech by President Juan Carlos Wasmosy at Colorado Party headquarters in Asuncion — live]

[FBIS Translated Text] Mr. Hugo Pena, president of the party Electoral Court and party leader [applause]; Mr. Egidio Ruiz, Colorado Party convention president; Mr. Luis Maria Argana, president-elect of our honorable Executive Board; party authorities; fellow party members; youth of my party; Colorados from around the country, without factional distinctions: Yesterday we lived the euphoria of the exercise of full freedom, without restrictions, and we knew how to handle it as Colorados. [applause]

Yesterday we went to the ballot boxes to express our will to live free, in democracy, and under the protection of our party, with a court democratically elected in a sovereign convention, with a clean electoral registry, without incidents, and without anyone daring to pressure us. From now on, our party will become increasingly stronger.

Fellow party members, today I have come to fulfill what I said in this courtyard of Colorado Party followers during the convention of our party and on other occasions. No matter who the winner might be, I will come to congratulate him. [applause] I congratulate you, Mr. Argana. [cheers]

I also congratulate the Colorado people, who have taken the test and proven that they are the majority and the architects of democracy in our country, and who today proudly showed a civic spirit never before experienced in Paraguay. [applause]

I congratulate you, Mr. Argana, with the most authentic Republican enthusiasm, and I tell you that you will have all my cooperation. For you have known how to win the support of most people in the great and glorious Colorado Party, this great and majestic people who yesterday filled Paraguayan democracy with glory and all their leaders with pride.

These people crowded cities, towns, and companies in the fatherland; these people were not discouraged by bad weather; these people showed once more that the Colorado Party is the most powerful political force in Paraguay. [applause]

I congratulate Angel Roberto Seifart, Blas N. Riquelme, and Atilio R. Fernandez for the gracefulness with which you accepted the verdict of the ballot boxes.

I congratulate Mr. Pena and those who accompanied him — I am a witness of this — when performing the hard tasks that the party Electoral Court had to face. But my greatest happiness, as a ruler and as a Colorado, is to see our great and glorious Colorado people, who know how to interpret the demands of this political process and who, without any type of tutelage, march decisively and firmly toward our democratic consolidation.

Paraguayans and, in particular, Colorados, you may feel proud of the way we are developing and consolidating our democracy. We were able to overcome many

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obstacles, and we must now prepare to defeat poverty and ignorance without sacrificing any part of our valuable freedoms. [applause].

I always felt the firm and decisive support of the party Executive Board in this struggle. I am absolutely sure that I will continue to work harmoniously with this new Executive Board headed by Mr. Argana, with a frank, respectful, and constructive dialogue, so that in 1998 another Colorado might continue ruling the country's destiny. [applause]

Fellow party members, may God permit us to definitively leave behind the insults and offenses which thus far have regrettably characterized our electoral contests. We must work hard to overcome this situation. A broad picture of good omens opens before us. I am convinced that we, fellow Colorado Party members, will be able to lead the country toward its most ambitious objectives. We have a single requirement if we want to achieve these goals: Unity without exclusions and without revenge of any kind in this great and glorious National Republican Association, Colorado Party. My dear fellow party members, Colorados, we have the duty to instill in our people the Republican spirit in order to win the municipal elections and then win the presidential elections. Long live the Colorado Party!

Paraguay: U.S. Embassy Role During Military Crisis Viewed

PY3004015096 Asuncion NOTICIAS in Spanish 28 Apr 96 p 2

[FBIS Translated Text] The events on 22 and 23 April in our capital clearly show why the United States is considered "the lord of democracy" in the world.

The participation of the U.S. Embassy in the efforts to find a solution to the military crisis was simply spectacular. U.S. Ambassador Robert Service and his closest assistant Mark Jacobs started mobilizing long before now retired General Lino Oviedo thought about mobilizing his tanks. They were ready to do their utmost to defend democracy, as was clear by their subsequent actions.

President Juan Carlos Wasmosy was still hesitating as to whether or not to accept that there was a revolt when the U.S. Embassy released its first communique with the most "furious" wording possible in diplomatic language. The communique expressed total support for the Paraguayan president and for his decision to retire rebel Gen. Oviedo.

"We fully support President Juan Carlos Wasmosy.... We recognize his constitutional right to retire Army Commander General Lino Cesar Oviedo. Oviedo's refusal to accept the presidential decision represents a direct challenge to the constitutional order in Paraguay and is contrary to the democratic norms accepted by nations in the hemisphere," the first communique released on 22 April said.

The situation was really special because this time, unlike the case with previous attempts to break the existing order, the communique did not stop Oviedo, who stubbornly maintained his rebellious position. This did not affect the state of mind of the North Americans, who determinedly went to the 1st Army Corps. The desire to preserve democracy was so great that Robert Service even humiliated himself when he tried to see the rebellious general, who contemptuously rejected him and the representatives of the other more powerful countries in the region.

Everything To Avoid Bloodshed

Service accepted the designation of Lino Oviedo as defense minister in order to avoid bloodshed, and then applauded Wasmosy's efforts in a second communique, running the risk of annoying the State Department. But Service and Jacobs did not see any other way out. With this attitude, the ambassador showed that his support for the head of state was unconditional. He did not leave him alone, and encouraged him during all the difficult moments of the crisis, which has now been overcome. "The U.S. Government applauds President Wasmosy's courageous actions to maintain the nation's constitutional and democratic order," the communique said.

When the situation was really critical at the presidential residence, Robert Service, risking his life, drove Wasmosy to the place he thought was safer: the U.S. Embassy. The president boarded a "Marine" pickup truck and spent the night at the embassy.

At All Times

The U.S. support did not diminish for a single moment. The North Americans continued firm at Wasmosy's side at Government House the next day. Then we received the White House communique congratulating the Paraguayan president "for his courage when protecting and defending democracy and constitutional order in Paraguay."

Robert Service's efforts can only be based on his faith in the democratic system, which is clear from his unfaltering support for Wasmosy. Perhaps this was the reason why Gen. Oviedo did not receive him at his former stronghold.

According to diplomatic sources consulted by NOTICIAS, our country owes a huge debt to Service and

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Jacobs for their great job during the night of the worst military crisis of the past few years, which put us at the brink of a return to the political obscurantism that we all want to forget.

Paraguay: Oviedo Views Possible Bid for Presidency

PY2904180096 Asuncion ABC COLOR in Spanish 29 Apr 96 p 16

[Interview with General Lino Cesar Oviedo, retired, by unidentified reporter at the Republica de Venezuela School; accompanying his wife Raquel Marin de Oviedo to vote during the Colorado Party internal elections on 28 April]

[FBIS Translated Text] [Reporter] Will you run for president in 1998?

[Oviedo] I will study the situation before answering you (cheers by supporters)?

[Reporter] It seems the question has been answered.

[Oviedo] This is a democracy, one must do what the people want.

[Reporter] How do you feel now, after all that has happened?

[Oviedo] I feel free from other commitments so that I can pursue my political objectives as a citizen, exercise my civic rights, and help shore up democracy.

[Reporter] How do you feel toward the people who say you are a rebel, and an insubordinate officer?

[Oviedo] Documents tell the truth. There are explanations. There are things written down.

[Reporter] What documents are you talking about?

[Oviedo] I have the documents. When I was ordered to step down as Army commander I did not hesitate at all to do so. You attended the ceremony at which I turned over the post to my replacement, you heard my speech, national and foreign officials were present, as was the president of the nation...

[Reporter] Did you at any point think about staging a military coup d'etat, or attacking the Presidential Residence with military forces?

[Oviedo] The enemies of democracy are always thinking about coups d'etat. During General Andres Rodriguez' administration I was also accused of preparing several coups d'etat. Yet, Gen. Rodriguez turned over power to his successor without any problems in August 1993.

[Reporter] You never thought about staging a coup d'etat?

[Oviedo] No, the only coups I am thinking about are those aimed at corruption, poverty, ignorance, illness. That is why I have entered the political arena (cheers).

[Reporter] Are you upset because you did not get appointed defense minister?

[Oviedo] Not at all. I never asked for that job. The president was the one who sent four close friends of his, led by Interior Minister Diogenes Martinez. Well, if he still wants my help, I will make the effort.

[Reporter] There is some talk about a Riquelme-Argana alliance. What do you think about that?

[Oviedo] I am talking about an alliance of all the factions of the Colorado Party, as Gen. Rodriguez and myself established in the proclamation issued on 2 and 3 February. That proclamation advocated the unity of the Colorado Party, dignity for the Armed Forces, and respect for human rights and for the Roman, apostolic, catholic religion.

[Reporter] Was there a decree of President Wasmosy appointing you defense minister?

[Oviedo] I do not want to compromise anyone, but I have all the documents I need to protect myself.

[Reporter] Who, besides Diogenes Martinez, went to offer the job of defense minister to you?

[Oviedo] I do not want to start any controversies. I want peace for the Paraguayan people, particularly for all the members of the Colorado Party. You will never hear me offend any Colorado Party member, any fellow country man, or any foreigner.

[Reporter] When will you officially launch your campaign for president in 1998?

[Oviedo] When my people tell me to. (Turns to face his followers) When do you want me to start? (The answer is "tomorrow")

[Reporter] Do you still have Riquelme's support in these internal Colorado Party elections?

[Oviedo] I want the support of all good Paraguayans. I do not discriminate against specific individuals or factions. I want to work with everyone to build a reliable country, a respectful country, where OAS treaties are respected. I do not want us to be a banana republic where just a few people decide what must be done.

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Paraguay: Official Said To Threaten To Arrest Oviedo

PY2904170096 Asuncion ABC COLOR in Spanish 28 Apr 96 p 8

[FBIS Translated Text] Division General Evaristo Gonzalez [chief of the military household] almost arrested General Lino Cesar Oviedo, retired, on 25 April when the latter tried to address his supporters from the balcony of Government House.

The retired general arrived at Government House to take oath as defense minister at 1055, just ahead of President Juan Carlos Wasmosy who came by helicopter, landing behind Government House.

Oviedo arrived with his wife Raquel Marin, escorted by several officers who protected him from those demonstrating against him.

Oviedo went to Government House to pressure the president into installing him as defense minister, but Wasmosy called journalists accredited to Government House and read the communique which is now public knowledge.

The retired military officer was seated in one of the offices still harboring some hope he would become a member of the cabinet. Hearing that he would not be appointed defense minister, Oviedo literally "collapsed" in the comfortable armchair in which he was sitting. His facial expression completely changed.

Faced with the situation, he began asking about President Wasmosy who was leaving Government House. At that point Velazquez Ugarte [nephew of Stroessner's industry and commerce minister Delfin Ugarte Centurion, and one of Gen. Lino Oviedo's political operators], came into the office and suggested to Gen. Oviedo that he should go onto the presidential balcony and address his supporters.

In view of this proposal, President Wasmosy's aides warned Oviedo that this could lead to a clash between the two groups of people assembled in front of Government house. One group mainly comprised young people who opposed Oviedo's appointment as defense minister, and the other, smaller group were Oviedo's supporters.

It was reported that Oviedo liked the idea of speaking from the balcony of Government House, but Military Household Chief, Gen. Evaristo Gonzalez told him that he would arrest him if he insisted on doing so. Gen. Gonzalez said: "General, I will have to arrest you if you try to speak from the balcony." Oviedo then understood that things were not in his favor.

Oviedo was upset, nervous, and uncoordinated. He even hit his head on the door of the car that took him away. The blow clearly injured his forehead. He thus left Government House humiliated because he did not manage to become defense minister.

Paraguay: Brazilian Envoy 'Suggested' Oviedo's Appointment

PY2904150796 Asuncion NOTICIAS in Spanish 29 Apr 96 p 2

[FBIS Translated Text] Reliable sources have reported that Brazilian Ambassador in Asuncion Marcio de Oliveira Dias was the one who suggested General Lino Cesar Oviedo's appointment as defense minister.

The sources said that diplomats accredited in Asuncion discussed the issue for several hours and came up with the proposal to appoint Gen. Oviedo as the only safe option to avoid the use of weapons and bloodshed.

It is public knowledge that the citizenry severely criticized the appointment and managed to compel the president to change his mind.

Paraguay: Arabs Allegedly Belonging To Hizballah Released

PY3004012196 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2259 GMT 29 Apr 96

[FBIS Translated Text] Ciudad del Este, Paraguay, 29 Apr (AFP-NA) — Two Lebanese citizens, who were held on 28 April for not presenting their identity papers and who were thought to belong to the Arab extremist group Hizballah, regained their freedom today, the police reported.

Lebanese citizens Nasser Mahmad and Ali Mahmad, 37 and 48 years of age, respectively, allegedly bakers from the neighboring Brazilian city of Foz do Iguacu, claimed that their attorney, who was applying for their residence papers, was in the possession of their identity papers.

Interior Minister Diogenes Martinez initially emphasized that the detainees were thought to be linked to the Arab extremist group Hizballah (Party of God).

Nevertheless, the police ruled out this possibility. National Police Chief Superintendent Mario Sapriza, however, emphasized that people linked to this Muslim extremist movement could be camouflaged within the Arab community of Ciudad del Este. It is estimated that 20,000 Arab immigrants are living in Ciudad del Este.

Nevertheless, entrepreneurial leaders from the Arab community emphasized that they would be the first ones to report suspects, if they appear, "as we are worried and have been experiencing huge economic losses since Lebanese subjects became suspects."

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In addition to the detentions made, the police, in coordination with the Argentine and Brazilian federal police, raided shops run by Arabs and filmed and photographed them. This was done between 28 and 29 April.

The police believe that "too much fuss" has been made regarding the alleged presence of terrorists in Ciudad del Este, to the point that calls from various points of the world, asking for details of this situation, have not stopped.

A local police chief told AFP: "We are controlling all the border checkpoints in coordination with the Brazilian and Argentine police. We do not rule out the possibility of the existence of terrorists, but we have not discovered any of them yet."

Peru

Peru: Government 'Concerned' Over Ecuadoran Arms Purchase

PY2604222696 Lima EXPRESO in Spanish 25 Apr 96 p A2

[FBIS Translated Text] Foreign Minister Francisco Tudela said yesterday that "although the Peruvian Government is aware that Ecuador is reequipping its arsenals, this fact will not pose a hindrance to bilateral ties with that neighboring country."

Tudela added that the Peruvian Foreign Ministry "has no specific information" about the type of arms or air fleet that Ecuador is acquiring. Without giving much details, he said that "our government is undoubtedly concerned about this situation."

The foreign minister made this statement after a confidential meeting with Foreign Relations Commission members to brief them on "the peace process assessment talks" he held with his Ecuadoran colleague Galo Leoro during the Rio Group-EU meeting in Cochabamba, Bolivia. He also briefed them on the future negotiations with Chile on the enforcement of the 1929 Treaty.

Peru: 2d Note for Meeting in Buenos Aires Sent to Ecuador

PY2604162096 Lima EXPRESO in Spanish 24 Apr 96 p A3

[FBIS Translated Text] It has been learned that last week the Peruvian Government sent a second note to the Ecuadoran Government reaffirming its interest in starting as soon as possible talks in Buenos Aires to establish the procedures that will guide the main talks between the two countries to resolve their differences and conclude the demarcation of the common border.

This second note Peru to Ecuador on the immediate resumption of bilateral talks was sent shortly after the return of Foreign Minister Francisco Tudela from Cochabamba, Bolivia, where he met his Ecuadoran counterpart Galo Leoro Franco within the framework of the Fourth Rio Group-European Union Meeting on 16 April 1996.

The first note was sent to Ecuador in early April. It was expected that in Cochabamba Leoro would give an official answer from his government concerning the meeting in Buenos Aires. Returning from Bolivia, however, the Peruvian foreign minister said that he and his Ecuadoran counterpart only discussed subjects related to the "psychology of the process" in which Peru and Ecuador are immersed.

Peru: Argentine Minister in Lima, Comments on Arms Sales

PY2604115096 Lima America Television Network in Spanish 0100 GMT 25 Apr 96

[FBIS Translated Text] Argentine Interior Minister Carlos Corach said today, after his arrival in Lima, that Argentine President Carlos Menem today sent a letter to Peruvian President Alberto Fujimori in which he offers explanations about the incident involving the sale of Argentine arms to Ecuador during the Cenepa conflict. Corach, who is hand-carrying the letter, denied that the Argentine Government has had a direct participation in the arms deals. He added that in view of this incident, Argentina has decided not to conduct any weapons sales in the future.

[Begin recording] [Unidentified reporter] The Argentine interior minister arrived in Lima after 1300 hand-carrying a personal letter from Argentine President Carlos Saul Menem to his Peruvian colleague, President Fujimori. In the letter, Menem expresses the Argentine Government's concern over the need to safeguard friendship ties that have traditionally united Argentina and Peru throughout their history. These ties may have deteriorated in view of the deviation of Argentine-manufactured guns to Ecuador during the Upper Cenepa conflict.

[Corach] I hereby confirm that I am hand-carrying a letter from the Argentine President to President Fujimori. It will be up to the president of Peru to decide whether or not to disclose the text of this letter after he receives it.

I would like to point out at this time that your question carries an implicit allegation I must answer. I categorically and emphatically assert that the Argentine Government has not sold arms to Ecuador.

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[Reporter] Interior Minister Corach explained that it was Argentine Military Industries [FFMM] which sold one lot of guns and ammunition to an Uruguayan military manufacturing company and that it was the latter which caused the lot of weapons to be deviated from Venezuela to Guayaquil, Ecuador.

He added that in view of this, an international arrest warrant has been issued against Argentine Colonel Payeros, retired. He said that the case is not closed and that investigations continue to determine who else might have been involved in the operation.

Corach categorically announced that in view of this scandal, the Argentine Government has decided not to carry out any more weapons sales in the future.

[Corach, in progress] ...has suspended all weapons sales and has issued a decree through which FFMM has been liquidated and its different production lines privatized. Therefore, this is a subject that will not be the cause of any future controversy. Argentina has decided not to sell arms to anyone in the future. [end recording]

Peru: Argentina's Corach Meets Fujimori, Delivers Letter

PY2704015196 Buenos Aires TELAM in Spanish 2021 GMT 26 Apr 96

[By special correspondent Fernando Romeo]

[FBIS Translated Text] Lima, 26 Apr (TELAM) — Argentine Interior Minister Carlos Corach today conveyed to Peruvian President Alberto Fujimori the Argentine Government's decision to clarify the alleged deviation of weapons to Ecuador.

"I conveyed (to Fujimori) the Argentine Government's decision to make sure that absolutely nothing will affect the relations between the two countries," said Corach after delivering to President Fujimori a letter from Argentine President Carlos Menem.

Although the text of the letter was not disclosed, Corach revealed after the meeting that in the two-page letter President Menem labeled the alleged deviation of weapons to Ecuador as "something disgraceful and aberrant."

Corach, who went to Government House at 1030 (1230 GMT) to meet with President Fujimori, was accompanied by Peruvian Foreign Minister Francisco Tudela.

Corach was also accompanied by Argentine Ambassador to Peru Arturo Ossorio Arana and Argentine OAS representative Alicia Martinez Rios.

Corach said President Fujimori welcomed him in a "friendly manner, with smiles," and assured him that the links between the two countries "were not affected" by the arms event, and that he "still has the usual excellent relations with Menem."

Corach indicated that President Fujimori "said this event obviously created concern among Peruvians because of their affection and friendship for the Argentine people, and he conveyed to me that he saw, through the letter I gave him, a firm political decision to clarify this case."

Corach, who explained his "satisfaction" regarding the result of the meeting, also said that he explained in detail to President Fujimori the investigation being carried out in Argentina about this case.

"Fujimori told me he has confidence in Argentine justice and in Menem's decision to investigate and punish those responsible," said Corach after revealing that Fujimori took notes of the conversation.

Corach explained that the decision to send the letter was made by the Argentine Foreign Ministry. He added that the decision was "very good" because "it was necessary to give an explanation on this issue due to the fact that the relations between Argentina and Peru have always been very special."

Corach also said he made the offer to Fujimori, if he wanted, to appoint an official whom the Argentine Government will keep informed on the development of the investigation, and that Fujimori responded by saying he would study the offer.

Corach also informed President Fujimori that President Menem signed a decree yesterday placing the Military Industries under the Economy Ministry for its privatization or eventual liquidation.

In addition to the conversation with Fujimori, Minister Corach said that he also saw among Peruvian officials a "very comprehensive and open" attitude.

After meeting with Fujimori, Corach held a brief contact with local reporters, to whom he reiterated that the Argentine Government "never sold weapons to Ecuador," and he gave assurances that this case "will not go unpunished."

Corach came to Lima to attend the Special Inter-American Conference on Terrorism sponsored by the OAS, which was closed today by President Fujimori and OAS Secretary General Cesar Gaviria.

Corach took part yesterday in the debates held in the Sheraton Hotel, where he explained the Argentine position on this isue.

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He explained that the Argentine Government condemns terrorism "in all its forms," and that the struggle against terrorism "forces us to reaffirm permanently the full enforcement of the state of law."

Carach will return to Buenos Aires tomorrow and the departure from the Jorge Chavez International Airport in the Tango 03 airplane is scheduled for 0930 (1130 GMT).

The Argentine delegation is also comprised of Interior Ministry General Secretary Vicente Brusca, Immigration Department Director Hugo Franco, Justicialist Senator Alberto Tel, and Radical Deputy Francisco Fragoso.

Peru: Government To Request Chile's Fulfillment of Treaty

PY3004010296 Lima EXPRESO in Spanish 22 Apr 96 p A5

[FBIS Translated Text] Peruvian Foreign Minister Francisco Tudela has said that in the upcoming negotiations with Chile, an adequate mechanism of consultation will be applied, and that the mechanism will specifically concentrate on having Chile fulfill its comitment to deliver the projects established in the 1929 Treaty.

In an interview with the "Sunday Magazine" television program, Tudela recalled that the pending points Peru will seek "is for Chile to fulfill the delivery of the northern dock, the railroad station, and the customs office in Arica, and the establishment of free railroad transit."

He said that other pending issues "will be negotiated later to prevent any distraction from the main issue." Tudela pointed out the agreement reached with his Chilean counterpart Jose Miguel Insulza over the inapplicability of the Lima Conventions because this mechanism was unnecessary within the framework of international law and very "awkward" to implement.

Regarding the Chinchorro property owned by Peru, which has been surrounded by a fence, Tudela said that Peru will request "a compensation for the areas illegally occupied by Chilean officials." He also said that the use of the property must be "economical and practical, and not merely symbolic."

Peru: Fujimori Interviewed on 'Political Issues'

PY2904154896 Lima America Television Network in Spanish 0200 GMT 22 Apr 96

[Studio interview with President Alberto Fujimori by America Television Anchorman Guido Lombardi during the Sunday evening Panorama program — live]

[FBIS Translated Excerpt] [Lombardi] President Alberto Fujimori has graciously accepted our invitation and is here to discuss national political issues. Good evening and thank you very much Mr. President.

[Fujimori] My pleasure.

[Lombardi] It has been a long time since we had the pleasure of enjoying your company here in our studios?

[Fujimori] Not only here but in several media. I really did not want to be interviewed by COSAS magazine because the issues are so complex that I preferred to have enough time to discuss in depth if you will allow me.

[Lombardi] With great pleasure Mr. President. A legislative package has been announced, that is a package of legal reforms...

[Fujimori, interrupting] Well, EXPRESO said it was a massive legislative package...

[Lombardi, interrupting] Yes, a massive legislative package...

[Fujimori, interrupting] But one that will be beneficial for the country.

[Lombardi] We will discuss this issue because it is very important, but first allow me to discuss political events: the frustrated election of Constitutional Guarantees Court members last week in Congress.

My first question is whether it is indispensable to appoint Augusto Antonioli to the Constitutional Guarantees Court?

[Fujimori] This issue must be agreed between the congressional minority and majority blocs. There must be some Congress members able to achieve a consensus because although some important members have been nominated who have not been active in politics they do uphold political positions. Thus, a consensus must be achieved.

[Lombardi] We are talking about an independent court. The main reason why the Constitutional Guarantees Court ceased to be active as of 1992 was precisely because it was politicized.

[Fujimori] But there is no politicization at this time. I don't see why people allege that a member who has

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been a public official is necessarily politicized. I don't see any politicization here.

[Lombardi] He served in your cabinet for five years, was an advocate of the [1992] coup, and has had very active participation. Although this is highly commendable for a cabinet member, it is not so for a member of an institution that safeguards the enforcement of the law because the...

[Fujimori, interrupting] If we are speaking about a group of people we must seek is a consensus, a balance, with representatives of different trends, those who may have supported the 1992 palace coup and those who opposed it.

Therefore, the court must encompass people who represent all trends. We hope to appoint a balanced court. I am optimistic that we will be able to make this appointment despite recent obstacles. I think we should not be concerned about this...

[Lombardi, interrupting] Court members must be appointed with the approval of six of the seven votes, that is, we will never have a consensus with a tie vote or with a three to four vote.

Moreover, public opinion believes the administration does not want an institution empowered to control the enforcement of the Constitution...

[Fujimori, interrupting] Mr. Lombardi, people also alleged the administration did not want to appoint an ombudsman and it was quite the opposite. Look what happened in this case. After much discussion and debate we were able to appoint a good ombudsman.

[Lombardi] Since you mention it, are you willing to increase the ombudsman's office budget so that it may act...

[Fujimori, interrupting] I have personally talked with Santistevan and explained to him the current budget difficulties we face which preclude us from increasing his budget. However, we will support him with whatever means are necessary. For example, we can grant him used cars in perfect working condition, and state offices. But the key factor is for the ombudsman's office to start operating. This is a new institution implemented in the 1993 Constitution through which common citizens will have their rights protected by the ombudsman's office in cases of abuse by government organization.

[Lombardi] Or some government official?

[Fujimori] Of course.

[Lombardi] Before reviewing the massive legislative package, let us discuss the IMF negotiations. We have just seen what happened in Venezuela this past week. A moderate fuel price hike has been implemented here in Peru. What are we negotiating with the IMF? People say there is some flexibility, that the IMF is no longer demanding a 2.5 percent saving of the GDP but a 1 percent saving, that is, we are speaking of at least (?$300 or $400) million. What are we negotiating?

[Fujimori] Let me firstly explain that this fuel price hike is not an IMF imposition because we have our own rules. We even make recommendations to the IMF and it accepts them. These are some of the golden rules for a healthy and solid national economy: First we must achieve a fiscal balance, that is, not return to the past in which one spent more than what was collected. The government must save. Just as a family makes savings in case of eventualities, the government must also save. We must increase revenues. Workers want greater incomes, and so does the government. These are basic principles. Moreover, we must have economic growth and stability.

Thus, newspaper speculation about the need for a 2.5 or a 1.5 savings of the primary surplus is not true. This is false. The reasonable primary surplus Peru might achieve to give us sufficient reserves, to feel comfortable, and to achieve a solid economy is 1 percent. The IMF never demanded 2.5 percent. This is categorically false.

[Lombardi] Nevertheless, this 1 percent primary surplus implies a cut in government expenses which means we will still not achieve an economic reactivation.

[Fujimori] No, it will mean we will increase tax collection, have less tax evasion, and less fraud. All this will result in a primary surplus. By the way, last year we achieved 0.3 percent primary surplus which is a notable achievement for an economy such as ours which was in a calamitous situation. [passage omitted]

[Lombardi] Mr. President, speaking about debts, there is little understanding about the foreign debt which is also part of the negotiations with the IMF eligibility for credits and access to the Brady Plan. Why is it that despite having made a tremendous effort over the past few years to honor our commitments with international and foreign creditors, the foreign debt has grown from $19 billion to $20 or $24 billion? The last official report issued by the Central Reserve Bank [BCR] stated that our foreign debt stands at $24.5 billion. How has this happened? Where is that money? Where was it invested? Was it invested, or does this simply reflect an increase in interest rates?

[Fujimori] Well, allow me to cite a very simple mathematical exercise that will explain all these increases, and the foreign debt problem the country has inherited.

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In round figures, let us suppose Peru's foreign debt totalled $20 billion and the annual interest rates total 7 percent, including commercial and concessional interest rates. If it were 7 percent, Peru would pay $1.4 billion just in interest.

[Lombardi] Per annum.

[Fujimori] Per annum, that is, slightly over 15 percent of...

[Lombardi, interrupting] [words indistinct]

[Fujimori, interrupting] ...but without reducing the debt because we only paid interest rates.

Therefore, we first negotiated with international banks. As a result of this we will have an important reduction in the foreign debt within the framework of the so-called Brady Plan. This means our foreign debt will total about $20 billion or $21 billion.

We are negotiating with the IMF along these same lines. There is not much difference because we want...

[Lombardi, interrupting] Will we have a Brady Plan?

[Fujimori] Yes, we will have a Brady Plan but we must first have the IMF endorsement. Achieving agreement with the IMF does not mean it is making impositions. We are the ones setting the conditions. Once this agreement is achieved, we can resort to the Paris Club, that is, the support group with which we have a debt totalling about $9 billion. With the endorsement of the IMF, we will resort to the Paris Club and then the Brady Plan.

Now to answer you specific question: We will soon achieve the so-called [word indistinct] of the Brady Plan which closes negotiations with the Brady Plan.

[Lombardi] What will be the impact of these new debt terms on our economy. Will it mean a salary increase for teachers?

[Fujimori] It will mean more investments, and consequently, more economic growth. The minute we join the Brady Plan we will have negotiated and refinanced our debt, which will result in greater investment, economic growth and stability. This will be in addition to a new legislative package, which will allow increased tax revenue and consequently salary increases.

[Lombardi] Mr. President, are you happy with your new cabinet headed by Primer Minister Pandolfi?

[Fujimori] Forgive for interrupting, but I want to be perfectly clear because there is great speculation about the IMF. Some say the IMF will impose specific terms.

We have always been quite open about all this. In the past, letters of intent with the IMF were secret. Do you remember? These were secret negotiations conducted by all previous administrations.

Before the economy minister and the BCR president sign letters of intent with the IMF we inform public opinion about the terms of the letter of intent and, as in previous years, will hear suggestions [words indistinct].

Now about your question: Well you can see the pace of actions. We are moving at a very good pace. I am happy with the Pandolfi cabinet and I believe it has drive. We have realistic goals...

[Lombardi, interrupting] At least it is hegemonic.

[Fujimori, interrupting] [words indistinct] economic.

[Lombardi, interrupting] At least we now have an hegemonic cabinet. Changing the subject, there is also speculation that this recent cabinet reshuffle signifies the victory of one group over another. Today SEMANA ECONOMICA reports that your brother, Santiago — your personal adviser for many years — is going abroad to obtain a masters degree in law. Is this true?

[Fujimori] I cannot confirm what SEMANA ECONOMICA reports but he is interested in furthering his studies. He has been a great help in preventing the inclusion of certain wrong terminology in decree and laws.

[Lombardi] He has assisted you, which means he is not helping you any more?

[Fujimori] Well he has assisted me throughout these past five years. I also want to deny speculations about the prevalence of any group. The audience must excuse me for being so frank but the fact is that the only person who leads [words indistinct] who rules in keeping with the mandate of the people is the president. He is the one who imparts the guidelines.

All cabinets, including that headed by [former Prime Minister Dante] Cordova followed this guideline. [passage omitted]

Venezuela

Venezuela: Hezbollah Presence in South America Viewed

PA2904190096 Mexico City NOTIMEX in Spanish 2311 GMT 28 Apr 96

[FBIS Translated Text] Caracas, 28 Apr (NOTIMEX) — Today, the Venezuelan press indicated that the police found a cell of the anti-Zionist group, Hezbollah, in the country. The Directorate of Intelligence and Prevention Services (Disip) has neither confirmed nor denied this report.

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The newspaper EL NACIONAL indicated that, according to Disip sources, the Venezuelan secret police discovered a cell of "Muslim radicals," composed of 15 persons who live in the tourist center of Margarita Island.

The press version verified a report broadcast by the Israeli military radio station in Jerusalem that said members of a commando group of the Lebanese armed group Hezbollah who were orchestrating an attack against Jewish organizations in South America were recently arrested at a "South American border."

The Israeli military radio station cited ranking Israeli military officers saying that the arrest of the members of the commando group took place at the border between Argentina, Brazil, and Paraguay.

According to media reports, Brazilian and Paraguayan authorities have neither confirmed nor denied the Israeli report on the alleged existence of an anti-Zionist commando group in South America, while Argentine officials denied the truth of the report.

EL NACIONAL pointed out that, according to a document attributed to the Disip, this organization began a classified investigation after the attack on the Israeli-Argentine Mutual Association (AMIA) in July 1994.

According to business reports, 80 percent of the businessmen in Margarita Island, a tourist location where sales are duty-free, are of Arab descent and arrived in Venezuela in the early 1980's.

According to the document attributed to the Disip, only one of the members of the alleged commando group is currently in Venezuela and was identified as businessman Youssef Farhat.

In statement to the newspaper, Farhat denied any link to the anti-Zionist movement Hezbollah, or Party of God.

He said: "My work is to buy a dozen of this and sell a dozen of that; I am not interested in anything else. I have never had any problems with the police or anything of the sort. This is a violation of my rights. We respect Venezuela, because it opened its doors for us to work."

The Disip has neither confirmed nor denied the truth of the report published by the Venezuelan newspaper, which is said to have obtained its information from anonymous sources of the security organization.

Venezuela: Official Views Florida's Orimulsion Decision

PA2604192196 Caracas Venezolana de Television Network in Spanish 1530 GMT 25 Apr 96

[Report by Pedro Prado]

[FBIS Translated Text] Acting Foreign Minister Milos Alcalay this morning stated his position on the refusal by the U.S. state of Florida to purchase Orimulsion.

Alcalay expressed regret over Florida's decision not to purchase Venezuelan Orimulsion and said the country is losing absolutely nothing with the decision by the U.S. state, because we will now sell to other nations what we were going to sell Florida:

[Begin Alcalay recording] Orimulsion. At this moment, I want to state our faith in this Venezuelan fuel. It is not a matter of retaliations. We are offering a product. Who wants to buy it? Florida does not want to buy it; we regret that decision. I believe it will regret not having purchased a nonpolluting energy product when energy costs increase later.

The world is headed toward nonpolluting products. Pollution is increasingly becoming a problem for countries. [end recording]

On the border problems with Colombia, the acting foreign minister said protest notes are no longer enough. He said more drastic measures need to be taken in order to demand more effective action against rebels.

Venezuela: Central Bank Manager on $1.4 Billion IMF Loan

PA2804021896 Caracas Venezolana de Television Network in Spanish 1530 GMT 23 Apr 96

[FBIS Translated Text] Central Bank of Venezuela manager Antonio Casas Gonzalez has reported that the Venezuelan Government and IMF signed an agreement for a $1.4-billion loan, and that the executive is expected to opt for an expanded credit service plan, offered by the IMF, according to which the government will allocate the money to stimulate economic growth.

In Washington yesterday, Casas Gonzalez assumed office as first vice president of an intergovernmental group of 24 countries created for international monetary affairs, called G-24. He said this expanded service loan would have a much more significant structural component than the agreement signed on Monday by permitting the progressive improvement of the country's economic growth parameters.

He also said that the economic stabilization program has been endorsed by multilateral organizations and the program's financing will last slightly more than a year.

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Venezuela: Minister on Global Support for Economic Policy

PA2704201796 Caracas Venezolana de Television Network in Spanish 2258 GMT 24 Apr 96

["Message" by Finance Minister Luis Raul Matos Azocar; place, date not given — live or recorded]

[FBIS Translated Text] The World Bank president, the Inter-American Development Bank president, and the IMF managing director have announced to the international community this Monday in Washington the support of their organizations for the Venezuela Agenda and economic policy programs announced by the president of the Republic.

The international economic community immediately reacted, stating the confidence the country needs to carry out its economic recovery and growth program. The international media have already stated that Venezuela's economy strives for a prompt solution of the crisis and that we will curb inflation and achieve economic growth goals in the short term for the generation of new employment opportunities.

Moreover, the resources that organizations have allocated for our country, approximately $3.4 billion, will strengthen the social programs the government is carrying out, including the program to generate jobs for young people, the subsidy for families that have a low income, and the community support programs, which will generate jobs and result in many improvements for the community.

If the international community has stated its confidence, the Venezuelan people know that an open future full of opportunities lies ahead. We will curb inflation this year and will begin a process of economic growth with low inflation levels in 1997. Venezuela has become competitive at the world level and has become the society of opportunities all the Venezuelan people want.

Venezuela: Council of Ministers Approves Social Programs

PA2704035196 Caracas Venezolana de Television Network in Spanish 0230 GMT 25 Apr 96

[FBIS Translated Text] The Council of Ministers has approved four new social programs, which will be submitted to the Inter-American Development Bank's delegation that will arrive in the country on Monday.

A social council of ministers could very well be the name given to this meeting because social issues were exclusively discussed. Four new programs were approved in order to lessen the impact of the new economic and fiscal measures on low-income families:

1. The basic food program consists of direct subsidies for goods sold directly to the public. These are goods considered strategic because of their high caloric value such as sardines and grains.

2. The program for the strengthening of social issues seeks a better coordination between public and private entities for their joint participation in social programs.

3. The plan to provide jobs for young people consists of training young people who have not joined the national education system.

4. The social strengthening fund will last two years. An initial contribution of 15 billion bolivares will be made to this fund, the purpose of which will be to promote the creation of jobs, school repairs, and the furnishing of sports complexes.

Family Minister Carlos Altimari Gasperi, coordinator of the social cabinet, explains the contents of these programs and the meeting with the delegation of the Inter-American Development Bank.

[Begin recording] [Altimari] The social programs include resources from the Inter-American Development Bank in two funds: one to train people for jobs and the other to protect nursing mothers and their children.

[Unidentified reporter] How much funding for each of the programs?

[Altimari] We do not have the amounts. The delegation will arrive on Monday and we will discuss the programs with them. We are going to talk to them about the objectives of the programs and the amounts in each program as well as the financing. It is also important to point out that we are going to talk to the Inter-American Bank's delegation about the university scholarship program, which is very important at this time. [end recording]

Dr. Fernando Egana, minister of the Central Information Office, explained how these initiatives will be financed.

[Begin Egana recording] The financing of these programs will come from two sources: from an additional social credit, which is currently being discussed by Congress, as well as by contributions, which both the Inter-American Development Bank and the World Bank have established in the agreement announced by representatives of those organizations for Venezuela in Washington last Monday. [end recording]

An important part of the social programs recently approved by the Council of Ministers is the Social Strengthening Fund, which will not only benefit people and generate some 50,000 jobs, but will also directly involve citizens in the solution of problems in their own communities.

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